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SCI

Navratna Company

ISO 9001 : 2008, ISO 14001 : 2004, BS OHSAS 18001 : 2007 Company

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

ATTENDANCE SLIP

67th ANNUAL GENERAL MEETING

Date: 26.09.2017 Time: 3.30 p.m.

Folio No./ Client ID :

SEQ No. :

Name and address of the Shareholder(s) :

No. of Holings :

Member's /Proxy's name (Block Letters)

Member's /Proxy's Signature

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at entrance of meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorized representatives appointed under Section 113 of the Companies Act, 2013. A Copy of authorization should be deposited with the Company.
3. In case of shares held in demat/electronic form, the signature of the Beneficial Owner is liable for verification with the record furnished to the Company by NSDL/CDSL.
4. Electronic copy of the Annual Report for 2016-2017 and Noticce of Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.

Physical copy of the Annual Report for 2016-17 and Notice of Annual General Meeting along with attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

स्वच्छ भारत
एक कदम स्वच्छता की ओर

67TH ANNUAL REPORT
2016-17

भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)

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(A GOVERNMENT OF INDIA ENTERPRISE)

TRANSPORTING GOODS. TRANSFORMING LIVES.

ISO 9001 : 2008, ISO 14001 : 2004, BS OHSAS 18001 : 2007 Company

The Shipping Corporation of India Ltd. acquired secondhand Suezmax Tanker M.T. Desh Abhimaan to its fleet on 26th April, 2017. The vessel has a gross tonnage of 81084 and deadweight of 158710 tonnes.

The Shipping Corporation of India Ltd. acquired secondhand Multipurpose Support Vessel (MPSV) SCI Sabarmati on 18th November, 2016 having a gross tonnage of 3306 and deadweight of 3352.31 tonnes.

Hon'ble Union Minister of Shipping, Shri. Nitin Gadkari unveiled e – copy of in house magazine "SCI Sandesh" at the Mumbai office in presence of CMD Capt. Anoop Kumar Sharma and other Directors.

The Shipping Corporation of India Ltd. has been awarded the 'Best Enterprise Award' (Navratna category) - 3rd prize at the 27th National meet of Forum of Women in Public Sector (WIPS) held on 11th & 12th February, 2017 at Nagpur, Maharashtra.

SCI forays into Green Energy

The Shipping Corporation of India Ltd. is committed to sustainable development. It is a matter of profound joy and pride for the entire SCI family that, our commitment has materialized in the form of 353.5 kwp Solar Photo Voltaic Power Plant at SCI MTI, Powai. This plant is grid connected with net-metering arrangement. Installation of plant, with all requisite approvals, was completed on 30th November 2016. After successful test run, the plant was inaugurated on 23rd January, 2017 by Shri Rajive Kumar, IAS, the then Secretary of Shipping. This Roof-top Solar PV Plant, which is one of the largest installations in Mumbai, not only contributes to reduction in SCI's carbon footprint, but also provides substantial financial savings. In view of the benefits and actual cost savings derived from the Solar Power Plant at MTI, Powai, SCI has taken up expansion of installed capacity of plant by around 200 kwp during FY 2017-18.

The Shipping Corporation of India Ltd. (SCI) was established on October 2nd, 1961. For the last 56 years, SCI has been providing yeoman service to India's economy by meeting its ocean transport requirements. Starting out as a marginal Liner Shipping Company with just 19 vessels, SCI has today emerged as the undisputed leader in Indian shipping. 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 vessel, Gas carriers and Offshore Supply vessels. Sailing through for more than five and a half 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 34% 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 the largest and the most diversified shipping company in India.

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SCI

Navratna Company

CORPORATE INFORMATION

BOARD OF DIRECTORS

Capt. Anoop Kumar Sharma
Chairman & Managing Director

Smt. Leena Nandan
Government Director

Shri Arun Balakrishnan
Director

Shri Sukamal Chandra Basu
Director

Smt. H.K. Joshi
Director

Shri S.V. Kher
Director

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

STATUTORY AUDITORS

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.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400 059.
Maharashtra.

Chairman’s Message

Ladies and Gentlemen,

On behalf of the Board of Directors of The Shipping Corporation of India Ltd., I welcome you all to the 67th Annual General Meeting of your Company. I am pleased to place before our esteemed shareholders, the 67th Annual Report of the Company for the financial year 2016-2017. This report describes in detail the working of your Company for the financial year ended 31st March 2017. However, I would like to summarise some salient features of your Company’s performance during the last financial year.

Financials

It gives me immense pleasure and satisfaction to inform you that SCI has reported a standalone net profit of ₹ 135.52 crores (consolidated net profit ₹175.62 crores)excluding Other Comprehensive Income for the year ended 31st March 2017 as against a restated standalone net profit of ₹753.28 excluding Other Comprehensive Income for the year ended 31st March 2016.

Your Company being a diversified company has been able to absorb the losses in certain segments. Losses in the bulk and container segments have been offset by the profits of Tanker and Offshore fleet. While the revenue from operations has decreased over the previous year, the overall financial health of the company has improved substantially, our borrowings have reduced, lenders are more comfortable and our creditability in the market is better.

Global Shipping Scenario

Maritime transport is the backbone of globalization and lies at the heart of cross-border transport networks that support supply chains and enable international trade. Gone are those days of cyclical shipping booms and busts. The period of recession in the shipping markets intertwined with depressed world economic activity has lasted for over nine years now. This has broken the back of the industry. The longer global economic growth remains weak and lacks investment, the lower future growth potential for shipping. However, the industry is surviving and limping back to normalcy. The full restoration of shipping markets will need several years of solid improvements to lift fleet utilisation rates. Sector overcapacity almost everywhere must be reduced.

The last year has been a mixed bag with the return of Iran, continued production cut by Saudi led OPEC, increasing Crude Oil output from North America, bankruptcy of Hanjin, Maersk Line-Hamburg Sud merger, slowdown in China, cyber-attacks on maritime assets, geopolitical incidents in Syria, Libya and now recently in Qatar. Tanker markets rallied for a while before going into a downward spiral, BDI recovered from its lowest mark and quadrupled, container revenues in the Europe sector rose significantly while the Offshore segment is marred by the low world crude oil prices.

I believe we are at the cusp of the emergence of a new phase in modern international shipping.

Operations

Last couple of years have been bad for the dry bulk shipping industry. After the Baltic Dry Index (BDI) reached an all-time-low of 290 last year, it improved steadily. This was driven by and benefitted mainly the capesize ships as they transported the key commodities of iron ore into China. As the year progressed, the situation eased as demand growth outstripped the impact of the net supply growth of the fleet.

During the last year, strong freight market was created by an increased throughput at global refineries causing up-front oil demand to run ahead of end-consumption and a moderate supply side growth for crude oil tankers. In 2016-17 the world fleet grew by 6% for both tanker segments. This unbalanced the market because demand growth eased off. Tanker demand growth in the next couple of years is expected to come predominantly from the greater Asian region led by China and India.

Global oil supply continued to grow last year despite many disruptions to production in key exporting countries. The re-entry of Iran into international oil stood as the single-most disruptive event to an established oil market. On lifting of Iran sanctions, your company, after a gap of almost four years, resumed shipments of Crude Oil from Iran in July 2016. This shipment was performed by your company Suezmax tanker, MT 'Ankleshwar'. Whether the changes to trade patterns end up benefitting the tanker markets remains to be seen.

As regards Containers, last year stands out in terms of consolidation, both in the form of outright mergers but also in the newer and larger alliances being forged to cut cost. Additionally, the very low number of newbuilding orders was backed up by an all-time high of demolition capacity reducing the harmful effects of new ships being delivered. Container lease rentals, of companies which were unwilling to negotiate, have been brought down substantially through concerted discussions, negotiations and reduction in idle inventory. As a result, liner losses are coming down. As a matter of fact during the Q1 of FY 2017-18, Liner segment has reported marginal profits.

On the finance side, your company has entered into attractive loan agreements with EXIM Bank for General Corporate Purposes at attractive borrowing rates and Your Company has also been successful in achieving a reduction in the interest margins of the existing FCNR loans. This has helped free up funds making them available for working capital and improved the cash flow of the company.

Ship Acquisition Programme

Over the years, your company has successfully retained its position as the largest and most diversified shipping company of the country and has been a frontrunner in terms of growth, diversification and replenishment of its tonnage. I am also very proud to declare that your company's tonnage recently touched the historic mark of six million deadweight for the first time ever.

The decline in the prices of secondhand tonnage across the world has presented an opportunity for your company to strategically expand through this route. Your company has during the last few months acquired two secondhand Multipurpose Support Vessels viz., 'SCI Sabarmati' and 'SCI Saraswati', one secondhand Suezmax tanker 'Desh Abhimaan' and one Very Large Gas Carrier 'Nanda Devi'. Tender for acquisition of yet another secondhand Suezmax tanker is in the pipeline.

Your company has also been periodically phasing out economically unviable ships from time to time. During the last few months two container vessels viz., MV 'Rajiv Gandhi' and MV 'Indira Gandhi' have been sold and handed over. Your company is also looking to sell two more economically unviable ships in the coming months.

With a younger and modern fleet, your company is fully geared up to take advantage of the much anticipated upswing in the markets.

Other Corporate developments

A wholly owned subsidiary 'Inland & Coastal Shipping Ltd.' has been incorporated on 29th September, 2016 for undertaking/ providing transportation services through inland waterways, coastal shipping and end to end logistics.

Your Company was awarded the Emergency Towing Vessel contract by Directorate General of Shipping (DGS) for the period from 24.06.2016 to 30.11.2016 during the monsoon period.

Your company has restructured its SMILE Service w.e.f. 09.06.2016 connecting Middle East with the East and West Coasts of India. Your company has entered into a Vessel Sharing Agreement with Shreyas Shipping Line in PIX2 Service by inducting one 1600 TEU vessel, w.e.f. 11.06.2016 which connects Middle East with Indian Subcontinent and Coastal Movement from West Coast of India to Vishakhapatnam and Kolkata / Haldia Port.

Your company's Maritime Training Institute has become a study centre of YCMOU (Yashwantrao Chavan Maharashtra Open University).

The 353.5 kWp Solar Photo Voltaic Power Plant installed at Maritime Training Institute (MTI) at Powai (Mumbai) was inaugurated early this year by Shri Rajive Kumar, Secretary to the Government of India, Ministry of Shipping. The plant capacity would be increased to 0.5 GW within this year.

LNG Carrier M.T. Prachi was constructed at M/s Hyundai Heavy Industries, Ulsan and delivered on 30.11.2016. This vessel is owned by a Joint Venture Company in which your company holds 26% share and your company is also the manager for this vessel.

Rescue operation in Gulf of Oman: Your Company owned Suezmax tanker 'Desh Shanti' was involved in a rescue operation on 03.02.2017 in the Gulf of Oman, approx. 50 nautical miles off Fujairah, saving seven (7) Indians from the dhow 'FRTK-1'. The rescue was meticulously planned saving all the seven crew onboard the dhow.

Awards & Accolades won by your company during FY 2016-2017

- 'Most Compassionate Employer of Indian Seafarers' at National Maritime Day Celebrations 2016.
- 'The Indian Shipping Company with the Highest Growth of Indian Flag vessels' at the National Maritime Day Celebrations 2016.
- 'Training Institute of the Year' to Maritime Training Institute at the Samudra Manthan Awards 2016.
- 'Shipping Company of the Year (Indian Flag)' at the Samudra Manthan Awards 2016.
- Awarded the 'Best Enterprise Award (Navratna category) – Third Prize' at the 27th National Meet of Forum of Women in Public Sector (WIPS) held on 11th& 12th February 2017 at Nagpur, Maharashtra.
- Captain Radhika Menon, Master of SCI's product tanker "Sampurna Swarajya" became the first female seafarer ever to receive the "IMO Award for Exceptional Bravery at Sea 2016"

Acknowledgements

I would like to express my gratitude to the Government of India for its support to your Company. I wish to thank the Hon'ble Union Minister of Shipping Shri Nitin J. Gadkari for leading the growth of India's maritime sector and for providing hiskind support to your company. I would also like to thank the Hon'ble Ministers of State for Shipping, Shri Pon Radhakrishnan and Shri Mansukh L.Mandaviya for their encouragement to your Company. I wish to also express my indebtedness towards Shri Rajive Kumar, former Secretary (Shipping) and ShriRavi Kant, existing Secretary (Shipping) for their guidance provided to your Company.

My sincere thanks are also due to the other officials of the Administrative Ministry, other Ministries and Departments of the Government of India. I would also like to express my sincere appreciation towards Directorate General of Shipping for its support and kind understanding of various problems being faced by the Indian shipping industry and specifically by your Company. I also wish to express my deep sense of gratitude towards all the shareholders, stakeholders, my colleagues on the Board of Directors and all the floating and shore employees for their continued support over the years.

Captain Anoop Kumar Sharma
Chairman & Managing Director

The Shipping Corporation Of India Ltd.

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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. Anoop Kumar Sharma, Chairman & Managing Director

Capt. Anoop Kumar Sharma is a Master Mariner (FG) and has served the shipping industry for over 35 years at various responsible levels. He is a Fellow of Institute of Chartered Shipbrokers, London and holds a Diploma from Narsee Monjee Institute of Management Studies.

In his previous stints, Capt. Sharma has served as the CEO and whole time Director on the Board of the Essar Shipping Ltd. Subsequently, he was elevated to serve as the Managing Director of Essar Shipping. Presently, Capt. Sharma is on the Boards of Indian Register of Shipping (IRS), North of England Protection & Indemnity Club, Irano-Hind Shipping Company and India LNG Transport Companies (SCI's Joint Ventures).

Capt. Sharma is President of the Indian National Shipowners' Association (INSA) and Co-Chair of the National Committee on Shipping & Transport of Confederation of Indian Industry (CII). He is also a Member on high level committees of international Classifications Societies such as Bureau Veritas, Lloyds' Register and American Bureau of Shipping. In addition he also holds memberships of several technical and commercial committees in the fields of Maritime & Logistics.

Capt. Sharma also presently holds additional charge of the posts of Director (T&OS) and Director (L&PS) in SCI consequent upon the superannuation of Capt. K. Devadas on 28.02.2017 and Capt. S. Narula on 31.07.2017 respectively, till further orders or till a new incumbent is appointed by the Government of India for both the posts.

Smt. Leena Nandan, Government Director

Smt. Leena Nandan is an IAS Officer of the 1987 Batch, UP Cadre. Presently, she is working as Additional Secretary & Financial Advisor of the Ministries of Road Transport & Highways, Shipping and Tourism. She has served in the Central Government earlier as Joint Secretary (Tourism) and till recently, as Joint Secretary (Highways) in the Ministry of Road Transport & Highways. Mrs. Nandan is a Graduate in English (Hons.) from Patna Women's College. She completed her Masters in Development Management from the Asian Institute of Management Manila.

Shri Arun Balakrishnan, Director

Shri Arun Balakrishnan superannuated as Chairman and 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 and 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.

Shri Sukamal Chandra Basu, Director

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 and 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.

BOARD OF DIRECTORS

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 later joined the corporate world in 1984.

She is a Fellow Member of The Institute of Cost 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. Smt. Joshi also holds additional charge of Director (Personnel & Administration) w.e.f 12th August, 2017.

Shri Shrikant V. Kher, Director

Shri Shrikant V. Kher, Director of Bulk Carriers and Tankers joined the Shipping Corporation of India 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 and Tankers and LNG Tankers. He was closely involved in the formation of LNG JV Companies which now own a total of 4 LNG tankers. These are fully managed by SCI through a pool of qualified and experienced Officers. During his tenure as Senior Vice President of Bulk Carriers, he has acquired in depth understanding in the trade and nuances of the Dry Bulk Sector.

EXECUTIVE DIRECTORS AND SENIOR VICE PRESIDENTS

S. No	NAME	TITLE	DES	LOCATION	DIVISION
1	DIPANKAR HALDAR	Mr.	ED	MUM	Board Secretariat and Legal Affairs
2	SARAIYA NAISHAD R.	Mr.	Sr. VP	MUM	Finance & Accounts
3	MANDAL SHILADITYA	Mr.	RSr.VP	KOL	Kolkata Office
4	SADAWARTI SHANKAR G.	Mr.	Sr. VP	MUM	Information Technology
5	MAJI SWAPAN K.	Mr.	Sr. VP	MUM	Liner & Passenger Services
6	MESHRAM BALA V.	Mr.	Sr. VP	KOL	Kolkata Office
7	BARAI ASHOK K.	Mr.	Sr. VP	MUM	Liner & Passenger Services
8	MATHEWS PHILIP	Capt.	Sr. VP	MUM	Principal (MTI), Personnel & Administration
9	PATEL ASHWIN V.	Mr.	Sr. VP	MUM	Finance & Accounts
10	UBALE ATUL L.	Mr.	Sr. VP	MUM	Bulk Carrier & Tanker
11	YADAV SURENDRA K.	Capt.	Sr. VP	MUM	International Safety Management
12	SOOD RAJESH	Mr.	Sr. VP	MUM	Bulk Carrier & Tanker
13	SHARMA SANGEETA A.	Ms.	Sr. VP	MUM	Bulk Carrier & Tanker
14	SUNDERAJAN SUMATHI	Ms.	Sr. VP	MUM	Finance & Accounts
15	SHARMA ANIL K.	Capt.	Sr. VP	MUM	Technical & Offshore Services
16	KULKARNI PRADEEP V.	Mr.	Sr. VP	MUM	Purchase & Services
17	BHANDARI VIJAY K.	Mr.	Sr. VP	MUM	Bulk Carrier & Tanker
18	SHARMA ANIL KUMAR	Capt.	Sr. VP	MUM	Bulk Carrier & Tanker

NOTICE OF MEETING

NOTICE is hereby given that the 67th 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 Tuesday, the 26th day of September 2017 to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements as on 31.03.2017 and Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Smt. H K Joshi who retires at this meeting and being eligible, offers herself for re-appointment.
3. To fix remuneration of auditors for the Financial Year 2017-18.

Registered Office:
Shipping House, 245, Madame Cama Road,
Mumbai – 400 021.
Dated : 24.08.2017

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

NOTES

i. 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.

ii. Members /Proxies/ authorized representatives should bring the duly filled attendance Slip enclosed herewith along with the copy of Annual Report to attend the meeting.

iii. The Register of Members and the Share Transfer Books of the Company will remain closed from 22.09.2017 to 26.09.2017. Members are requested to notify any change in their address to the Share Transfer Agent of the Company at the following address - Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059,Maharashtra. Tel:022-62638200 Fax :022-62638299,Email: investor@bigshareonline.com

iv. 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 2009-10 and onwards. The investor may also visit 'Investors' section of www.shipindia.com. The dividend paid for the year 2008-09 (Final) remaining unclaimed/ unpaid has already been transferred to the IEPF. The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company as on 30.09.2009 and also the details of shares liable for transfer in the name of IEPF Authority on the aforesaid link.

v. **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.**

vi. 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.

vii. 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).

viii. 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.

ix. 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.

x. 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 23.09.2017 at 9 AM and ends on 25.09.2017 at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19.09.2017 (Record Date) 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.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	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. 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 relevant 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.
- 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 by custodian 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. In case of Non-Individual Shareholders, admin user also would be able to link the accounts(s).
- 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.

NOTICE OF MEETING

(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 or call 18002005533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

Dipankar Haldar
Executive Director (Legal Affairs) &
Company Secretary

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

Date : 24.08.2017

ROUTE MAP OF AGM

ANNEXURE TO NOTICE

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

Name of Director	Smt. H.K.Joshi
Date of Birth	15.05.1962
Date of Appointment	05.02.2015
Qualifications	• B.Com. • M.Com. • Fellow member of Institute of Cost Management Accountants of India
Expertise in Specific functional areas	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
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL
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 2016-17

Authorised Capital	₹ 1000.00 Crores
Subscribed & Paid- up Capital	₹ 465.80 Crores
Depreciation Provision	₹ 566.07 Crores
Gross Earnings	₹ 3592.10 Crores
Gross Investment on Fleet	₹ 13061.82 Crores
No. of Passengers carried (including managed vessels)	4,68,988
No. of Employees (including crew) (As on 1st July,2017)	2290
Vessels Owned (As on 1st July, 2017)	
• **Number**	69
• **Tonnage**	5.98 million DWT 3.32 million GT
Vessels on Order (As on 1st July , 2017)	NIL
No. of Acquisitions till date (1.4.2016 till 21st August, 2017)	3

DECADE AT GLANCE

OPERATIONAL STATISTICS

(Figures in Crores of ₹)

	IGAAP									IND AS	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2015-16**	2016-17
Operating Earnings	3726.9	4166.6	3463.1	3543.4	3820.8	4152.5	4155.2	4153.8	4078.3	4049.9	3446.9
Interest Income	227.7	272.7	218.2	191.4	183.4	107.3	103.3	145.9	113.2	114.1	106.4
Other Income	129.8	125.2	215.0	285.0	495.9	236.4	280.5	288.0	85.7	50.7	38.8
Total Earnings	4084.4	4564.5	3896.3	4019.8	4500.1	4496.2	4539.0	4587.6	4277.2	4214.7	3592.1
Operating Expenses	2594.4	2815.7	2771.0	2254.5	3328.4	3273.7	3112.3	2794.2	2339.6	2098.8	2141.3
Other Expenses	221.3	266.5	216.7	576.7	515.7	668.4	585.6	567.8	636.9	612.4	535.4
Interest Expenses	61.6	64.7	52.5	66.9	387.3	161.8	206.1	179.3	160.6	171.9	172.2
Depreciation	303.2	323.9	380.1	465.1	608.7	760.5	856.4	770.2	580.0	542.3	566.1
Impairment	-	-	-	-	-	-	-	-	136.4	-	-
Exceptional items	-	39.1	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	(299.7)	-	-	-	-	-
Tax Liability	90.0	113.9	99.1	89.3	88.2	45.8	53.3	75.2	46.5	36.1	41.7
Deferred Tax Provision written back	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	3270.5	3623.8	3519.4	3452.5	4928.3	4610.5	4813.7	4386.7	3899.9	3461.4	3456.6
Profit after Tax	813.9	940.7	376.9	567.3	(428.2)	(114.3)	(274.7)	200.9	377.3	753.3	135.5

*** Figures are restated as per IND AS*

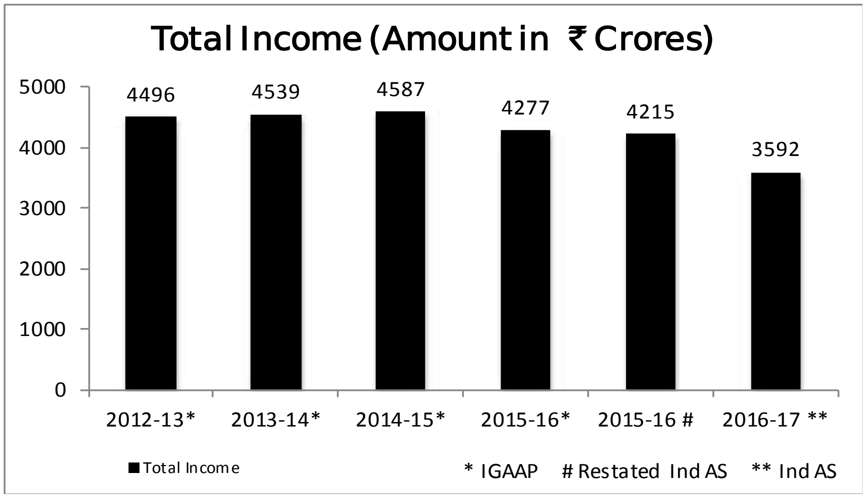
FINANCIAL HIGHLIGHTS:

(Figures in Crores of ₹)

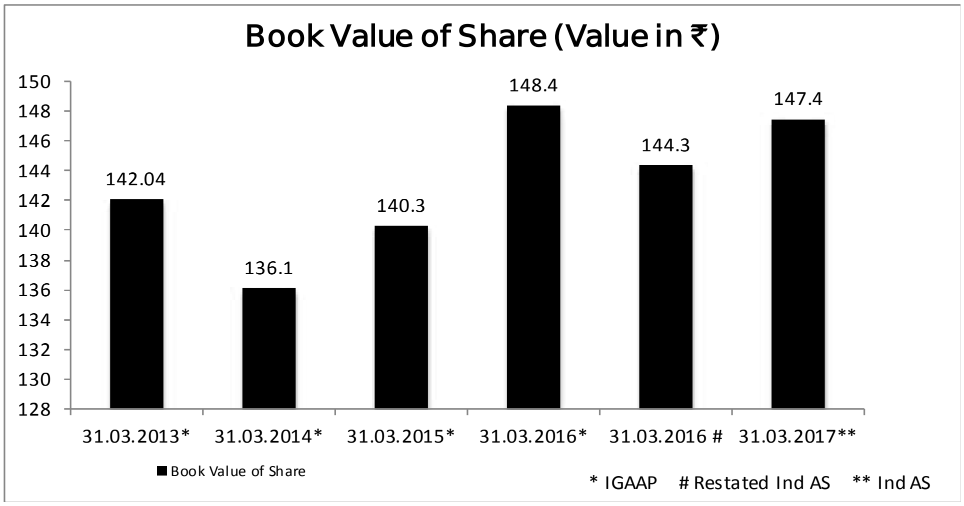
	IGAAP									IND AS	
	31-03-08	31-03-09	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15	31-03-16	31-03-16**	31-03-17
WHAT THE COMPANY OWNED											
Fixed Assets											
Gross Block	6737.1	8161.9	8893.2	11841.3	13334.4	16556.8	17486.3	17,297.9	18,154.4	15,851.3	15,945.6
Less:Depreciation(Cum) & Impairment	4047.2	4333.9	4386.4	4472.1	4421.6	5017.0	5551.6	5,853.4	6,551.0	4,024.1	4,534.9
Net Block	2689.9	3828.0	4506.8	7369.2	8912.8	11540.3	11934.7	11,444.5	11,603.4	11,827.2	11,410.7
Assets under Construction	2007.2	2099.9	1854.7	1790.4	1833.3	1572.5	710.9	490.9	-	-	27.3
Working Capital	2347.7	2640.9	2505.7	2431.0	2036.6	1550.1	1837.6	1,341.3	1139.6	1027.0	216.4
Investments	41.5	111.5	166.7	292.7	274.6	117.7	113.5	90.1	65.3	65.7	74.6
	7086.3	8,680.3	9033.9	11883.3	13057.3	14780.6	14,596.7	13,366.8	12,808.3	12,919.9	11,729.1
WHAT THE COMPANY OWED											
Long Term Funds:											
Bank Loans	1454.2	2471.7	2696.9	4715.2	6323.0	7707.4	8000.5	6,833.2	5897.9	5844.8	4518.1
Unsecured Loans	-	-	-	-	-	457.0	256.4	-	-	-	-
	1454.2	2471.7	2696.9	4715.2	6323.0	8164.4	8256.9	6,833.2	5,897.9	5,844.8	4,518.1
Deferred Tax Liability	-	-	-	-	-	-	-	-	-	**351.6**	343.6
NET WORTH OF THE COMPANY											
Share Capital	282.3	423.5	423.5	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8
Reserves & Surplus	5349.8	5785.0	5913.5	6702.3	6268.5	6150.4	5874.0	6,067.8	6444.6	6257.7	6401.6
Deferred Revenue Expenditure	-	-	-	-	-	-	-	-	-	-	-
	5632.1	6208.5	6337.0	7168.1	6734.3	6616.2	6339.8	6,533.6	6,910.4	6,723.5	6,867.4
Dividend paid	239.9	275.2	211.7	256.2	-	-	-	-	-	-	-
Dividend %	85.0	65.0	50.0	55.0	-	-	-	-	-	-	-

*** Figures are restated as per IND AS*

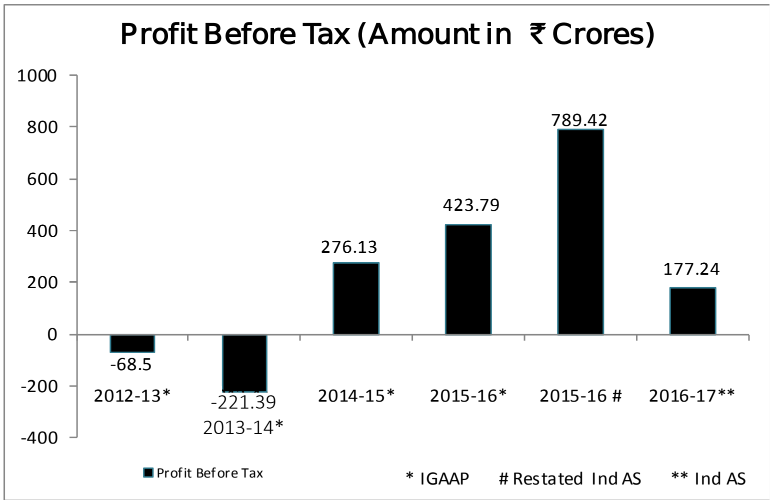
GRAPHS



Total Income (Amount in ₹ Crores)
5000
4000
3000
2000
1000
0
4496
4539
4587
4277
4215
3592
2012-13*
2013-14*
2014-15*
2015-16*
2015-16 #
2016-17 **
Total Income
* IGAAP
# Restated Ind AS
** Ind AS

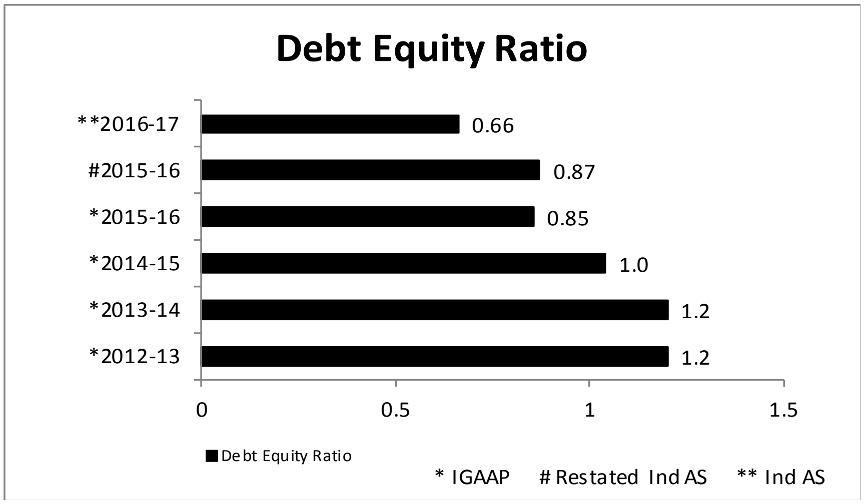


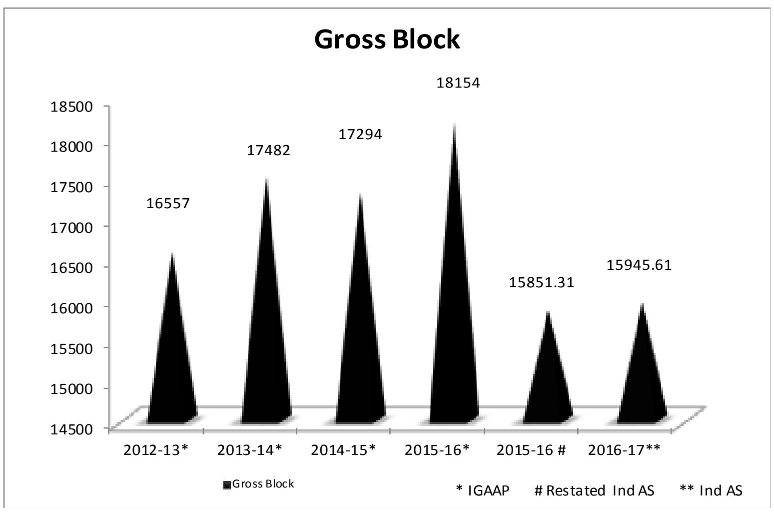
Book Value of Share (Value in ₹)
150
148
146
144
142
140
138
136
134
132
130
128
142.04
136.1
140.3
148.4
144.3
147.4
31.03.2013*
31.03.2014*
31.03.2015*
31.03.2016*
31.03.2016 #
31.03.2017**
Book Value of Share
* IGAAP
# Restated Ind AS
** Ind AS



Profit Before Tax (Amount in ₹ Crores)
1000
800
600
400
200
0
-200
-400
-68.5
-221.39
276.13
423.79
789.42
177.24
2012-13*
2013-14*
2014-15*
2015-16*
2015-16 #
2016-17**
Profit Before Tax
* IGAAP
# Restated Ind AS
** Ind AS

GRAPHS


Debt Equity Ratio
**2016-17
#2015-16
*2015-16
*2014-15
*2013-14
*2012-13
0.66
0.87
0.85
1.0
1.2
1.2
0
0.5
1
1.5
Debt Equity Ratio
* IGAAP # Restated Ind AS ** Ind AS


Gross Block
18500
18000
17500
17000
16500
16000
15500
15000
14500
16557
17482
17294
18154
15851.31
15945.61
2012-13*
2013-14*
2014-15*
2015-16*
2015-16 #
2016-17**
Gross Block
* IGAAP # Restated Ind AS ** Ind AS


स्वर्ण कावेरी
SWARNA KAVERI

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 67th Annual Report on the working of your Company for the financial year ended 31st March, 2017.

Accounting Year

The year under report covers a period of 12 months ended on 31st March, 2017.

FINANCIAL PERFORMANCE

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

(₹ in Crores)

		2016-17		**2015-16**
Gross Earnings		3592		4215
Gross Profit (before interest, depreciation & exceptional items & tax)		915		1503
Less : Interest	172		172	
Depreciation and Impairment	566	738	542	714
Profit before exceptional items & tax		177		789
Exceptional items		-		-
Provision for Taxation		(42)		(36)
Net Profit		**135**		**753**

The financial statements for the year 2016-17 are the first financial statements the Company has prepared under Ind AS (Indian Accounting Standards)

The financial statements for the year 2015-16 have been restated in accordance with Ind AS for comparative information.

The above figures have been extracted from the Standalone Financial Statements as per Indian Accounting Standards (Ind-AS). The Financial Statements of the company have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act 2013 to the extent applicable and current practices prevailing within the Shipping Industries in India. For the purpose of transition to Ind-AS, the Company has followed the guidance prescribed in IND-AS 101. First time adoption of Indian Accounting Standards, with effect from transition date of 1st April, 2015.

Appropriations :

A sum of ₹ 7.5 crores has been transferred to Tonnage Tax Reserve for financial year 2016-17. The working results for your company for the year 2016-17 shows a net profit of ₹ 135.52 crores.

After adjusting an opening credit balance of ₹ 65.16 crores (being balance retained earnings brought forward from previous year) and adding items of other comprehensive income of ₹ 8.38 crores that are recognised directly in retained earnings, there is a credit balance in retained earnings of ₹ 201.56 crores as on 31st March, 2017.

Brief Analysis of Financial Performance

FY 2016-17 marks the first annual accounts of your company under IND-AS with comparatives of FY 2015-16 being restated. SCI has reported a net profit of ₹ 135.52 Crores for financial year 2016-17. Reduction in operating revenues of tanker and offshore segments coupled with an increase in repair costs has resulted in a reduction in net profits. The Consolidated net profit for the company for Financial Year 2016-17 was ₹ 175.62 crores.

Performance and Financial positions of joint ventures included in Consolidated Financial Statements:

Fig (₹ in lacs)

Particulars	**ILT 1**	**ILT 2**	**ILT 3**	**ILT 4**	**ICSL**
As on	**31.03.2017**	**31.03.2017**	**31.03.2017**	**31.12.2016**	**31.03.2017**
Total Income	17628	18078	17912	1089	-
PAT	6914	7506	743	-517	-9
Equity capital	14	14	6	27528	5
Number of equity shares	10,000	10,000	10,000	42448300	50000
EPS (Rs/share)	69140	75060	7430	(1.21)	-18
Dividend	0	0	0	0	0
Net worth	16646	17190	-19870	14512	-4

- Net Impact on Consolidated profits for the year ended 31st March 2017 is increase of ₹ 4010 lacs upon consolidation of above joint ventures and subsidiary and on Net worth is an increase of ₹ 6135 lacs.

DIRECTORS' REPORT

1.0 Fleet Position during the Year:

During the year under report, your company has taken delivery of one Multi-Purpose Support Vessel (MPSV) (named SCI Sabarmati) and has disposed off one Bulk carrier (MV Goa). Thus the overall fleet of SCI was almost constant at 69 vessels of 5.85 million DWT at the end of the year.

Fleet Profile during the Year

Particulars		As on 1.4.2016		Additions		Deletions		As on 31.3.2017	
		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	-	-	1	45,801	16	1,068,088
3.	Liner Ships	5	202,413	-	-	-	-	5	202,413
4.	Offshore Supply Vsls.	9	20,150	1	3352	-	-	10	23,502
5.	Passenger-Cum-Cargo Vessels	1	5,140	-	-	-	-	1	5,140
	Total	69	5,892,854	1	3352.31	1	45,801	69	5,850,405

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

Vessel Name	Type	Yard Built	DWT
SCI Sabarmati	MPSV	2013	3352.31

2.1 During the same period, the following vessel were disposed off from SCI fleet:

Vessel Name	Type	Year Built	DWT
MV Goa	Bulk Carrier	1998	45,801

2.2 At the end of the year 2016-17, the Company had no new vessels on order. However, your company had signed MOAs for acquisition of a secondhand Suezmax tanker and a resale MPSV. These vessels were delivered on 26.4.2017 and 07.07.2017 respectively. Two vessels viz; MV Indira Gandhi and MV Rajiv Gandhi were sold on 22.05.2017 and 07.07.2017 respectively.

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, 2017 is appended to the Directors' Report.

Subsidiaries and Associates

Your company has one subsidiary Company and has six Joint Ventures. Investment in subsidiary "Inland and Coastal Shipping Limited" was done on 29th September 2016. It is a wholly owned subsidiary of your company. Pursuant to section 129(3) of the Companies Act, 2013, a statement containing salient features of our subsidiary and 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/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 29 under 'Notes to Financial statements'.

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.

DIRECTORS' REPORT

Foreign Exchange Earnings and outgo **(₹ in crores)**

Particulars	2016-17	2015-16*
Foreign exchange earned & saved including deemed earned & saved	3555.76	3771.57
Foreign exchange used including deemed used	3675.89	3678.42

*** Figures as per IGAAP**

Expenses on entertainment, foreign tours etc – FY 2016-17

During the year under report, your Company spent ₹ 32 lakhs on entertainment, ₹ 393 lakhs on publicity and advertisements and ₹ 335 lakhs on foreign tours of Company's executives.

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) World Scenario

The world GDP grew by an average of 3.1% in 2016, by the amount as that of 2015. The growth estimates for 2017 and 2018 are at 3.5% and 3.6% respectively. Even though the first half of 2016 had shown more of the same trends as those in 2015, the global activity woke up from its slumber in the second half of 2016. There were multiple guiding events for the same such as optimistic financial markets, strong domestic demand in European economies such as Germany, Spain and particularly UK owing to its referendum swaying towards exit from the European Union. In US also, there was an encouraging increase in demand, which owed to its strong push in production, led by buoyant economic predictions by financial markets. Some have predicted this upward trend as a result of cyclical uplift, while others are attributing the same to the organic demand naturally trying to bounce back from a few previous sluggish quarters. This somewhat surprising trend of developed countries showing strong demand growth was further reinforced by Japan, which showed busy economic activity during the year, resulting in high positivity in its overall exports.

ii) Global GDP

According to IMF, Global GDP growth rate of 3.1% in 2016 was expected to be around 3.4% in 2017. The US economy was expected to pick up pace due to surge in domestic demand and re-shaping of the policy by the new government with more focus on organic growth. The growth in US is expected to be 2.3% in 2017. Meanwhile, Europe and other advanced economies are expected to continue the existing pattern of moderate recovery.

In the EMDE (Emerging Markets and Developing Economies) area, the growth is projected to be 4.5%, an optimistic looking number, when taken into consideration that for the previous year, actual numbers were quite lackluster as compared with forecasts. China is predicted to exhibit a slightly downward GDP growth trend over the next few years. Having noted this, the prediction must also be looked at with cautious skepticism since the raw material prices are recovering in China, indicating increased utilization of industrial capacity and higher real estate investment. For the immediate next year however, Chinese economy is expected to pretty much stand its ground, with GDP growth being projected at 6.6%. On the other hand, India is expected to again surpass China in GDP growth with an estimated growth rate of 7.2% for 2017, driven mainly by a stable government and lower oil import costs.

IMF's World Economic Outlook states that global output will expand by 3.5% in 2017 and slightly increase thereafter to 3.6% in 2018, as against 3.1% in 2016. The report forecasts global trade to grow from 2.2% in 2016 to 3.8% and 3.9% in 2017 and 2018 respectively, owing to significant trade growth in both Advanced Economies and Emerging Markets. Advanced economies are undergoing a policy change towards organic growth and strong adherence towards bounded domestic trade, cases in point being US policy shift under the new government and the BREXIT referendum.

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

iii) Seaborne Trade, Fleet & Market

Globally, the oil trade (i.e 'Crude Oil' and 'Products' segments) exhibited a growth of 4.17% compared to 2.92% growth in 2015. Within the seaborne trade development of oil, the 'Crude oil' trade increased by 4.50% with total figure at 2,042 million tonnes in 2016, whereas 'Products' trade was at 879 million tons in 2016, increasing by 3.41%. The crude and product tanker fleets expanded by 5.89% and 5.97% respectively in 2016, as compared to 1.29% and 6.80% during the previous year. There has been sharp decline in tanker charter rates. Owing to the large number of deliveries, the resultant overcapacity will continue to give a strong bearish outlook to the tanker markets.

The dry bulk trade showed moderate growth of 2.08% in volume over the course of the year 2016, and the forecasts are cautious but optimistic due to reports of shrinking oversupply of tonnage. Because of this, Drewry has revised their forecasts to a higher freight levels and has opined that dry bulk markets will grow steadily due to shrinking oversupply and increased dry cargo imports from major stakeholders. The total dry bulk fleet growth rate was about 1.55% in 2016, down from 2.78% in 2015. The shrinking oversupply of tonnage bodes well for the market and charter rates are likely to see moderate upturn in short term and medium term, provided cargo growth is maintained.

DIRECTORS' REPORT

With an improving global economy and the accelerating trade growth, the gap between demand and supply of container capable fleet is expected to come closer in 2017, as global containerized trade volumes rebound to about 4% growth while capacity expansion moderates to 5%. Accordingly, the liner markets are enjoying a reprieve from early 2017 and it is expected that the trend continues through next quarters of 2017 as well 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 quarter of 2017 which will also 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 by mid-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 further 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.

iv) Indian Scenario

As per Central Statistics Office (CSO), Indian economy grew by a robust 7.1% (estimated) in 2016-17, compared to 7.9% growth in 2015-16. The growth numbers have suffered a dip due to the hiccup caused by several factors. The oil prices have remained fairly constant. Thus it can be said that there have been no major factors rendering upwards swing in the GDP. As per IMF Economic Outlook, India has maintained the lead on China in GDP growth this year also. The agriculture/farming sector gathered pace with growth at annual 4.1% compared with a 1.2% expansion in the earlier period. The power and utility sectors also posted a growth at annual 5.0% in 2016-17 (April to November).

According to sources from Ministry of Commerce, India's exports in value terms increased by 7.92% to US$ 276.28 billion in 2016-17, while imports remained fairly constant with 0.87% to US$ 384.32 billion. As per Press Information Bureau and Indian Port Association (IPA), the quantum of Cargo Traffic at India's 13 major ports rose by 5.2% in first two quarters of 2016-17 i.e. from around 299.5 million tons in April-September 2015 to 315.4 million tons in April-September 2016. The largest commodity group in the total traffic was P.O.L.(Petroleum, Oil and Lubricants) with around 37.1% share, followed by Coal at 23.4% and Container traffic at 19.6%, 'Other Cargo' (11.9%), Fertilizers and Iron Ore 2.5% and 5.6% respectively. This improvement of performance is the result of many measures initiated by the Ministry of Shipping to improve the performance of the ports viz; mechanization of the terminals, improving the TAT (turn-around time), quick evacuation of cargo, thrust on coastal transportation, expansion of infrastructure and skill development of employees. 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 Tanker, Bulk and other facets of energy shipping together with diversified fleet across all major segments give SCI a unique ability to exploit demand growth in any given segment with a quick-mover advantage on the peak of learning curve. Average age of SCI vessels has come down which match with the global standard. Longstanding COA relationships with major Indian Oil Refineries offer cargo security.

vi] Outlook

The prospects for global economy point to a reasonable growth at about 3.5%-3.6% in 2017-18. The diminishing crude oil trade prompted by OPEC production cuts might be a matter of concern though, US, the largest importer of crude oil in the world, is likely to increase its crude oil production. This will create a demand vacuum for the crude oil tonnage, which is set to have cascading effects worldwide. On the other hand, a lot of deliveries have taken place in 2016 and a large number of deliveries are lined up in 2017 also. Thus the oversupply situation is liable to rise. Rising refinery capacity in the Middle East may also adversely affect the exports from the region, thereby reducing the tonnage demand. The increased amount of scrapping, if it happens on the back of Ballast water management (BWM) system may be the only silver lining for tanker charter rates. Also, out of the 3 main crude import regions viz; US, Europe and Asia. Asia will be the main import zone generating crude demand, while US and Europe's net imports are set to decline or remain stagnant. This may create overpopulated Asian tanker market and thus churn the rates southward. In the product tanker markets, freight rates were supported by a higher product demand in 2016, particularly in the refineries in the northwest Asia region. In US also, increased demand for Naptha supported the Product tanker charter rates. However in 2017, forecasts indicate that there will be overstocks of products and refinery runs are also predicted to decrease due to lesser margins. Moreover, significant amounts of product tanker deliveries will keep the charter rates constant or at slightly depressed levels.

In the dry bulk market, charter rates are looking up after a long duration of lows. The increased rates are just above opex levels and do not cover the capex. China is again becoming a major player in the coal imports, due to increase in its steel production and the relative cheapness of imported coal over domestic coal. Also, US might bring about some positive news for the coal trading dry bulk ships, because the new government seems to have set more focus on coal based production. Reeling from the impact of consistently low markets, the dry bulk orderbook remains very low and thus oversupply situation is gradually diffusing. Considering all this, Drewry has revised the dry bulk charter rates for the next 3 years to optimistic levels, basis sustained growth in trade volume.

vii] Opportunities

The global GDP growth at 3.5% in 2017 is dependent on the two largest economies, US and China followed by emerging economies such as India and Brazil. US is expected to grow by 2.3% in 2017, up from 1.6% growth achieved in the year 2016.The shift to coal based power plant, along with apparent disinterest from US about the Paris Climate Summit paves the way for increased coal imports in the region. This may result in shifting of tonnage to North America, while rendering support to freight rates in the Asia Pacific region, due to comparative tonnage shortage. The Chinese GDP growth is expected to be 6.6% in 2017, almost on par with 6.7% growth exhibited in 2016, on the backdrop of continued policy support. The country is slowly recovering from the depressed production, which is shown in the higher infrastructure and real estate investment in India. As stated in the earlier section, Indian GDP growth is predicted to surpass that of China in this year again. 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 6.4 % in 2017, on the same level of 6.4% growth in 2016 also with India poised to grow at 7.2%. The European economy is expected to show modest growth of 1.7% in 2017 with growth coming in primarily from there covering Euro economies and stronger domestic demand. The Japanese economy is expected to grow at a modest rate of about 1.2% in 2017.

viii] Risks & Concerns

Geopolitical tensions, the unexpected protection in policy decisions by US, ongoing cyclical recovery in Europe and timid growth in crude oil demand remain the major macro risks. Also the embroiled political and 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. In South America, Venezuela remains in deep economic crisis, as its GDP is expected to contract by 7.4% in 2017 and 4.1% in 2018. In Africa, frequent port outages and resurgence of Piracy on the Nigeria region is a major cause for concern. The crude tanker rates are also expected to remain at depressed levels during 2017-19.

Similarly in the dry bulk segment, continued occurrence of local volatility is liable to affect the rates. Additionally, the declining cost of renewable energy and its growing acceptance and compatibility remains a concern for the traditional coal importers. In India, Coal India Ltd., which is the major coal producer, continues to increase its production and thrust to reduce imports might adversely affect the seaborne coal trade to India. With increasing charter rates, the second-hand dry bulk ship market is experiencing high levels of activity, thereby providing newer second-hand tonnage creating local overcapacity. These trends stand to have negative impact on dry bulk shipping freight rates.

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 1.70% to 96.60 million barrels per day over the previous year 2016. It is forecasted that the demand growth will be good for the next 4-5 years, in congruence with the healthy growth levels in forecasted Global GDP outputs. In China, reports indicate that there will be substantial activity in road transportation, aviation fuel and refining sectors, thus rendering an optimistic outlook to the country's oil demand. In India, increased financial literacy, greater tax collection and more spending on infrastructure is likely to generate significant oil demand. While OECD and US oil demand is expected to be on the same levels as that of previous year, US domestic output has fallen by 2.61% over the year. Due to a dip in US production, combined with supply problems from Venezuela and Canada, the US crude oil imports from Middle East and Africa increased significantly during the year, helping to boost ton-mile demand. There were deliveries of 20.7 million dwt of Crude oil tanker tonnage and 5.0 million dwt of Products tanker tonnage of new-buildings in 2016. For Crude oil tankers, the expected deliveries are 14.1million dwt and 21.5 million dwt in 2017 and 2018 respectively. For Product tankers, the respective figures are 4.1 million dwt and 3.6 million dwt each. New building prices for tankers went down significantly in 2016 by 8.2%, due to falling markets sending negative sentiments to the ordering activity. In ton-mile terms, it is estimated that crude trade increased by 4.50% compared to the previous year, while products trade increased by 3.41% in the same period..

The average spot rate of TD3 route of AG/East for VLCC was US$ 41,800/day in 2016. The future market in this segment seems to be in the range of US$ 20,000-30,000/day, hugely impacted by the oversupply of vessels and decline in cargoes. One Year TC rate for VLCC was about US$ 37,300/day in 2016, with some fixtures done at higher levels during the earlier part of the year. The Suezmax rate on West Africa – Caribbean / USES route was about US$ 28,300/day in 2016 which is expected to decrease sharply by about 40%per year over the next year. For Aframax, the spot rate on AG/Far East route was US$20,392/day which is expected to remain volatile and at a depressed level during the course of the year. For Product tankers, LR1 Spot rates on AG/East was US$ 9,900/day in 2016 and expected to stabilize near break-even levels in 2017. One year TC rate for LR1 was US$ 18,700/day. In MR tankers on Caribs/US route the spot rate was US$ 12,967/day in 2016. One Year TC rate for MR was US$ 15,100/day in 2016 and expected to be around US$ 12,200/day for the next year.

Your company has five VLCCs and all were operational during the year 2016-17. They were mainly employed on a mix of Time charter with Indian Oil and Voyage Charters with Indian as well as foreign charterers. The time charters earned reasonable returns, while spot trades faced mixed fortunes due to market volatility. 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 Suezmax COA with MRPL proved to be an excellent employment due to good returns. The COA earnings are based on AFRA which has been low. The time charter rates compares well with market benchmarks.

Five LR-I tankers of the Swarna series were mainly employed on Indian coast, catering to coastal crude movement of the Indian oil industry. They also had additional employment opportunities owing to lighterage operations. Their earnings compare well with market levels. Another LR-I tanker MT Swarna Kaveri was used for Product cargoes, mainly in the AG, Indian coast and Far East regions, with market equivalent freight levels achieved.

Your product tankers in the Swarajya Series were well employed with Indian charterers on time charter and sporadic voyage charters and their earnings are in line with market averages.

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

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

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

i) Opportunities

The global economy as a whole is expected to deliver a sustained performance over the next 4-5 years. Hence, the trade activity will be reasonably high in Asian countries and Middle East. Well positioned tankers in the Middle East and Asian coastal waters will stand to gain positional advantage. China is expected to exhibit large demand for both crude oil and products. This crude oil demand is for transportation and aviation fuel as inputs for increased refinery capacities, while products coming out from the refineries will need the products tanker tonnage to trade the products. In Indian context, the country's economy is looking to rebound from the increased transparency and tax collection owing to demonetization and is expected to provide necessary stimulus to the trade. Hence, India's crude oil demand is projected to be 4.51 million barrels per day, up by 0.23 mbpd from the previous year. Indian tanker tonnage will have opportunities to grab this demand, though at prevailing market rates which are under pressure. Asian demand for the same is expected to increase, banking on strong GDP performances by the corresponding economies and rise refinery throughputs. Net global crude trade flow is expected to shift eastwards, with Asian appetite being the key driver.

China's focus on increasing its refinery capacities and throughputs is set to shift a lot of tanker demand in the area. The increase in US oil production largely balanced the production cut decision by OPEC. If the trend continues, the increased US exports thereby will lend a helping hand to the tonne-mile numbers.

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 in terms of tonne miles and expected to ensure moderate clean tanker markets and your clean tankers will stand to get gainful trades.

ii) Risks and Concerns

The global oil trade (both crude and products) is expected to grow by a meagre 0.2% in the year 2017. This may put excessive strain on already depressed freight levels. Additionally, the crude tanker fleet is forecasted to grow by a whopping 5.04% in the year 2017, courtesy to large number of vessel deliveries. This may worsen the overcapacity situation in the markets and reduce freight levels further, as well as increasing the possibility of unemployment days.

On the other side, US crude oil production is going to increase in the coming year. Thus the large tonne-mile demand catering to this trade may have to find other avenues of employment. The unstable political climate in the Middle East, which saw the OPEC putting sanctions on Qatar, could increase the turmoil and could pose a risk to the tanker owners operating in the major trading area.

In products trade also, the freight rates are predicted to remain quite depressed due to manifold reasons. In many key areas, the products inventory has become overstocked. Moreover, the narrow margins in products will discourage any rise in freight rates. China, who has been one of the largest exporters of diesel oil in the last two years, has decreased the export quotas in 2017. This is a risk for MR and LR tankers trading in the Far East regions, as rates may decline sharply. 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 are expected to dip in the coming year to due ample tanker supply in the market caused by high number of deliveries.

b) Dry Bulk

The benchmark, the Baltic Dry Index (BDI) rose to an average of 820 in 2016-17 from 649 in 2015-16, reaching its highest average monthly value in December 2016.

The global imports of dry bulk stood at 3724 million tons in 2016 and grew by 2.42% over previous year 2015. When compared to 2016, dry bulk trade is projected to exhibit a healthy trade growth of 2.90% in 2017, with tonne-mile demand growing by an estimated 3.35%. The dry bulk global trade is expected to grow on an average of 2.5% for subsequent 3 years.

Though the dry market remains inundated with excess tonnage supply, the situation is improving as fleet orderbook growth remains subdued. In the first quarter, the rates improved courtesy of increased iron ore and coal imports by China. In this particular case, Chinese domestic coal was trumped by superior quality imported coal, which was available at a cheap price. This proved to be a blessing for the dry bulk market in the area. The cyclone in Australia disrupted their iron ore supplies due to which the balance iron ore had to be produced from Brazil which enhanced tonne-mile demand.

Rates were further boosted by good 4.36% contraction in the dry bulk fleet in 2016. Weak fleet growth in coming years bodes well for the dry bulk market and oversupply situation seems to be diffusing at a good rate.

A stimulus package was offered by the Chinese government to boost its Steel industry. This continues to have good impact on coal and iron ore imports of the country. As mentioned in an earlier section, the energy policy of the US is undergoing drastic changes and the country may very well see increase in coal based energy production. Also, the government is looking to increase domestic coal production to increase mining based jobs. The increased US coal exports are conducive to the trade.

The total dry bulk cargo demand is expected to be on growing track in the next few years. Having said this, the dry bulk segment continues to be bogged down by low profitability due to low earnings causing depressed asset prices caught in a somewhat downward spiral.

India's iron ore exports rebounded to 11.3 mmt in 2016 compared to meagre 4.2mmt exported in 2015. Global seaborne iron ore trade continues to show a healthy growth of 2.65% (forecasted) in 2017. With regard to Thermal Coal, India is projected to see an increase in its imports, rising from 177.1 million tons in 2016 up to a forecast of around 180.6 million tons for 2017.

India's urea imports fell by 35.32% to 54.81 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 MMT. India imported 5.48 million mt of urea in fiscal 2016-2017, out of this, 2.291 million mt came from Oman and 1.456 million mt came from Iran and balance from other exporting countries.

Global steel production is projected to increase by 3.47% in 2017 with increased production from China, India and other countries. The causes of this growth in steel production are overall increase in industrial activity, rise in global GDP and rise in steel-intensive sectors such as construction and automobiles. The steel demand in China is expected to be quite high this year since the government has put in motion many ambitious infrastructure projects. The government plans to build mega cities near Beijing and also plans to undertake homes for low-income groups.

A correction is already underway on the vessel supply side. As mentioned above, dry bulk fleet contracted due to three factors: 1) Increase in demolitions/scrapings as survival strategy 2) Conversion of vessels into tankers by many owners, in quest for a more profitable trade. 3) Drastic increase in lay-ups.

Your Company scrapped one older Handymax bulk carrier MV Goa in 2016-17. The company's dry bulk fleet now comprises of one Handymax, nine modern Supramax vessels of around 57,000 dwt and seven modern Panamax / Kamsarmax dry carriers of around 80-82,000 dwt as on 31st March, 2017.The bulk carrier fleet is young with an average age of about 5.5 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.

i) Opportunities

Prospects for dry bulk market are looking up in the near future. The freight levels are expected to be on the rising trend. Chinese coal imports are projected to be on the rise in 2017, due to a flurry of activity in the infrastructure and production sectors. Their major coal supplier Australia had frequent disruptions due to cyclones and bad weather. Thus China may use Brazil for importing the balance coal quantity. This may increase the overall tonne-miles and average haul lengths for the vessels. The vessels positioned accordingly may stand to win these cargoes and increase their overall employability period and have steady earnings.

India's coal import trade is gradually shifting the focus from Indonesia to South Africa and Australia. This is a welcome development for our dry bulk ships, hauling most of the import coal cargoes of India. The coking coal markets seem pretty favourable for the trade, since shipping costs for the trade have declined and coking coal prices have endured quite a hit. India's prime source of coking coal is Australia, and hence this route may see good freight levels.

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 requirement of coal to run these power plants which will contribute to increased demand for shipping, both for coastal as well as import.

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, Australia and even the USA. With these imports in pipeline, the shipping sector will stand to benefit from increased import cargoes.

USA has shown intention to revive the country's mining sector by increasing the percentage of coal based power in the total power produced. In this paradigm, a lot of tonnage will get good employment opportunities and if the major chunk of imports is from South Africa, then tonne-mile figures will receive a boost.

ii) Risks & Concerns

Advent of Renewable energy based policies and use of renewable energy sources as a means of production on mass scale stands a significant threat to sea transport of coals in the dry bulk trade. Many countries are shifting focus from traditional sources of energy to renewable sources and are taking strategic initiatives for the same. This will not only reduce the demand for traditional sources of energy like coal and oil, but bring their prices down which will make shipping unviable.

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

In parallel, coal trade is also showing signs of nervousness. Both India and 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.

SCI with critical mass in panamaxes is catering to transportation of three major commodities such as Iron ore, coal and grain. In view of the slowdown in these major trades globally, the earnings of panamaxes may continue to suffer in the short term. One more aspect that may turn charter rates volatile is slackening in the scrapping/demolitions of the vessels on every spike in rates, leading to resurgence of overcapacity situation in the market.

c) LNG Transportation

India has been registering a sustained growth in terms of demand for natural gas. LNG buyer received a significant push when India at 21st Climate Change Conference (COP), Paris committed to reduce its carbon intensity by a third from 0.37 kg per capita of GDP in 2005. The Government plans to double the share of Natural gas in India's energy mix from 6.5% in 2015 to 15% over the medium term.

New disruptions are expected to happen in times to come due to technological evolutions in storage and re gasification of LNG at end-user point of use across industrial (ISO Containers, LNG by Truck and Cryogenic LNG Storage) and transport segment (LCNG, LNG in M&HCV).

The LNG supplier interest has shifted towards India and China as the major demand centre. India has been registering a steady growth in LNG imports for more than a decade. The share of LNG in India's Natural gas basket is close to 50%.

The total LNG imports in India have doubled in last 7 years from 8MMT in 2008-09 to 16 MMT in 2015-16 and imports are expected to grow by 50% by 2020 at 24 MMT. The global LNG supply abundance and lower LNG prices is further favoring India and bridging the energy supply and demand gap.

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

The Shipping Corporation of India and GAIL (India) Ltd. has signed the Memorandum of Understanding to cooperate for transportation of 5.8 million tonnes per annum of LNG sourced by GAIL from Sabine Pass and Cove Point terminals in the U.S. The co-operation would include SCI assisting GAIL in the charter hiring of LNG ships and post fixture management services to GAIL for their in-chartered vessels which will be carrying LNG from USA to India. This collaboration between GAIL and SCI aims to augment the natural gas supply through LNG imports.

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

d) RGPPL Terminal Management

Your company has successfully renewed the Port and Marine Services Contract of RGPPL Terminal for further 3 years i.e. 2015 – 2018. Under the previous term of contract extending from 2012 – 2015, SCI team successfully completed berthing and un-berthing operations of 25 LNG tankers and one SPM operation and under the renewed contract operation of 37 LNG Tankers have been completed at RGPPL Dabhol. Total quantity of LNG imported at Dabhol LNG receiving terminal stands 3.22 million cbm for the contract period 2012-2015 and 5.02 million cbm under the renewed contract.

e) LPG Carriers

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the tanker segment has been largely influenced by earnings and cargo security gained from COAs (including the newly acquired MRPL COA) and from the time charter business of 2 VLCCs with Oil Industry which provided stability to earnings flow. Another key segment that contributed greatly was the dirty LR I segment servicing the coastal indigenous crude movement. The clean segment of GPs, MRs and LRs earned at market levels through mix of spot and time charters. The mix of employment types and geographical concentration in niche coastal business segments has ensured returns in line with market trends.

Although the dry segments still buckled under severe tonnage over supply, there was some silver lining from resumption of iron ore trade to China from India which provided the advantage of triangulation by lifting coal cargos from Australia back to India. In addition, coastal movement of coal on the East Coast provided alternate employment avenues. Combined with steady business from traditional dry routes such as coal from South Africa, lime stone and fertilizer from Persian Gulf the overall earnings stabilized close to market levels.

2. LINER & PASSENGER SERVICES

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

i) World Scenario:

The Global container traffic rebound by 4% in the final quarter of 2016, giving an estimated full-year increase of 1.8% that outpaced the 1.4% year-on-year container volume growth in 2015. Global container handling at the ports touched 700 million TEUs during early 2016. In pure economic terms, the year 2016 has seen Europe improving, and Japan at a standstill. There has been no real growth of demand on a broader scale. The shipping industry relies on global imbalances, in raw materials, energy and manufacturing facilities. The calendar year 2016 for the Liner industry presented a mixed bag of operating results with the operating earnings going up only towards the year end due to firming of freight rates and volumes in the October - December quarter of the year 2016. During this period, the stable bunker prices and somewhat stable dollar helped support the liner shipping lines which had been incurring operating losses since 2010 on account of low revenues in many trade routes due to deteriorating market fundamentals, low vessel utilization and over-supply of tonnage. With unstable demand and supply capacity, maintaining decent utilization remains a gigantic task for individual Carriers and forced them to come together to create various vessel sharing agreements for survival. . Some of the organizational changes which happened primarily because of the very low freight markets which impacted all the shipping lines are listed below:

- The two Chinese government owned Liner companies COSCO and CSCL were merged.
- M/S CMA-CGM, world's third largest company acquired the iconic Singapore based American President Lines (APL) – a then top ten global company.
- The world fourth Ranking German carrier M/S Hapag Lloyd acquired the United Arab Shipping Company (UASC).
- The then world seventh ranked Korean shipping Line M/S Hanjin(largest Korean Liner company), because of heavy losses, went into receivership and eventually declared bankrupt.
- Earlier, the second largest Korean Company and a top twenty Global player M/s Hyundai Merchant Marine was bailed out by a billion dollar soft loan from the Korean Government supported Korean Development Bank.
- The two top Taiwanese lines M/s Evergreen (5th biggest line) and M/s Yang Ming (top twenty shipping line) also ran into financial problems and are being aided by USD 1.8 billion package by Taiwanese government.
- The three main Japanese companies M/s K Line, NYK Line and Mitsui OSK decided to merge their liner business in a single entity.

To reap the benefits of economies of scale (to achieve lower per unit cost), the Carriers are increasingly preferring larger, energy-efficient ships and alliances to cater to the trade requirements across the globe.

ii) Indian Scenario

Indian ports handle about 90% by volume and 70% of value of the country's EXIM cargo. The installed capacity of ports which was 1312 MTPA in 2012-13 has gone up to about 1890 MTPA in FY 2016-17. Similarly, the cargo traffic handled by the ports has gone up from 934 MT to about 1133 MT in FY 2016-17. Expansion, modernization, development and up-gradation of the Port Infrastructure in the country is an ongoing process including construction of new berths and terminals, etc. and up-gradation of skills of human resources in the Ports. India's overseas container trade volume in 2016 went up by 10% versus previous year. India's exports to Saudi Arabia showed the highest growth at 16% on the back of strong demand for ceramics and tiles, which grew by about 80% in 2016. Spain shifted its sourcing base to India, which resulted in increased supply from India. For the fiscal April to March 2017, TEUs handled by the Government controlled Indian Major Ports rose by 3% year-on-year basis to 8.4 million TEUs. From September 2016 onwards, there is an upsurge in Indian exports. This happened after a continuous decline for twenty one months since December 2014. The top export products sectors are Petroleum Products, Gem and Jewellery, Textiles, Chemical and related products, Agricultural and Allied products, Transport Equipment, Base metal and Machinery. These eight sectors contributed 86.4% of total exports and balance 13% by the remaining sectors.

iii) Strength & Weaknesses

The vast experience in the Liner trade, spread over the decades, is the foremost and formidable force which instills confidence in the cargo interests who support SCI. The customer friendly approach at all the levels and SCI's customized peripheral services puts SCI ahead in the league. The wide network of the agents all across the world, provides and facilitates for the localized contacts in the markets. The India-centric focus needs to be expanded to garner the benefits of economies of scale.

iv) Opportunities

The liner market is poised to see significant improvement in operating profitability in future, despite the continuous influx of mega-ship, new-buildings going by the market sentiments of a reviving global economy and upbeat economic forecasts. New operating alliances are expected to contribute by allowing global carriers to further exploit network efficiencies and vessel deployment optimization bringing about higher savings. Low and stable bunker prices are also expected to help the liner operators to save on fuel and improve their books. Improving economic conditions in Europe is expected to boost market fundamentals and support carriers in their effort to restore freight rates. An improvement in liner operating profitability is also expected to act as a catalyst for higher charter vessel demand and higher charter rates. Despite improving market fundamentals, the industry has to overcome challenges in the year ahead due to increase of mega-ship deliveries before the capacity growth moderates in 2017. The break bulk sector continues to have good potential in respect of ocean freight arrangements of General cargoes, Over-Dimensional Cargoes (ODC), Project cargoes, Heavy Lift cargoes etc. on account of the Government departments / PSUs and other commercial organizations.

B SEGMENT-WISE PERFORMANCE

1 Liner Vessels:

The table below shows the profile of your Company's owned liner fleet having total container carrying capacity of 14,407 TEU.

Type of Ships	As on 31.03.2016		Addition		Scrapping		As on 31.03.2017	
	No.	Dwt (MT)	No.	Dwt.	No.	Dwt.	No.	Dwt (MT)
Fully Cellular	5	2,02,413	-	-	-	-	5	2,02,413
Total	5	2,02,413	-	-	-	-	5	2,02,413

Average age of five owned Container vessels: Approx. 17 years [Three vessels aged about 23 years and two, 9 years].

As on 31.03.2017, 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 27 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 of Japan, etc. to name a few. Your Company continued to deploy its owned / operated Container vessels in the following sectors.

2 Container Services

i) Himalaya Service (erstwhile 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 operating with seven vessels of similar capacity. The service, from May 2009, is being operated in consortia comprising of two partners, namely, SCI and MSC, with eight vessels of which two vessels have been contributed by SCI. Since end-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 6 vessels (1 vessel each by 6 partners, viz, K line, PIL, Simatech, Wanhai, Cosco and SCI. The service is 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, Busan and Japan through feeder services via Shanghai on Indfex Service. The SCI has deployed MV SCI Chennai in this service.

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.

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. This Service is always on the inducement basis and on the subsidy support from the Ministry.

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

x) Domestic Passenger–Cum–Cargo Service

In addition to International operations, SCI with its one owned Passenger-cum-Cargo vessel and ten managed vessels operates domestic passenger and cargo transportation services between the Mainland and the Andaman and Nicobar (Abandon) group of islands and inter-island, on behalf of the Government of India. Also, 17 numbers of Foreshore passenger vessels of A&N Administration are technically managed by SCI.

xi) Other Coastal Services

SCI also manages Oceanographic and 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 and 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.

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 31.03.2016			Additions Nos.	Scrap/ Redelivered (Nos.)	As on 31.03.2017		
	Nos.	Pax. Cap.	Cargo Cap. (MT)			Nos.	Pax. Cap.	Cargo Cap. (MT)
Pax-Cum-Cargo Ships	11	7066	6200	0	0	11	7066	6200
Cargo barge						1		500
Other vessels	11	-	-	0	0	17 pax vsls **8 research vsls**	-	-
Total	**22**	**7066**	**6200**	**0**	**0**	**37**	**8665**	**6800**

The pattern of deployment of these vessels is as follows:

⇒ Five vessels for carrying Passengers and cargo between the Mainland and Andaman and Nicobar Islands

⇒ Six vessels and One Cargo Barge for Inter-Islands run (A & N Islands)

⇒ Seventeen vessels for Fore Shore Sector run (A & N Islands)

⇒ Eight Research vessels of GSI, NCAOR, NIOT, CLMRE carrying out scientific expedition in the Indian Coast.

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.

D. OUTLOOK

With an improving global economy and the accelerating trade growth, the gap between demand and supply of container capable fleet is expected to come closer in 2017, as global containerized trade volumes rebound to about 4% growth while capacity expansion moderates to 5%. Accordingly, the liner markets are enjoying a reprieve from early 2017 and it is expected that the trend continues through next quarters of 2017 as well 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 quarter of 2017 which will also 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 by mid-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.

E. RISKS & CONCERNS

Geopolitical and economic risks associated with the Oil and commodity-exporting economies suffered a big blow in 2016 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 about 1% in 2017 which would adversely impact the freight rates and charter rates.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company's liner segment registered a loss of ₹ 95.54 crores in FY 2016-17 as against loss of ₹ 134.95 crores in 2015-16. The Operating Income reduced from ₹ 521 crores in 2015-16 to ₹ 445.90 crores due to extremely low freight levels during first two quarters of the current financial year. Inspite of low operating income, your Company was able to reduce losses by adopting various cost saving measures accruing to the liner services, viz, saving considerably on feeder and transshipment costs by reducing carrying the cargo to non-base ports, saving on leasing cost by way of negotiations, blanking off voyages on the INDFEX route during Chinese New Year when volumes were very low. During the last quarter of 2016-17, freight rates to and from Europe have hardened considerably and will have positive impact on Liner performance in the forthcoming quarter. Our on time schedule reliability on our services, particularly in Europe sector has been very good and comparable or better than the global players. Going forward, the Liner segment's performance registers notable improvement.

3. A) TECHNICAL SERVICES ACTIVITIES

World scenario

The global crude oil prices which have been falling since mid-2014 received some stability in 2016. Crude prices which had fallen to about US$ 30 per barrel by 2015, crossed US$ 50 per barrel in 2016. Although the crude prices showed some recovery, there have been very few new E&P activities across the globe in 2016-17, considering the wide range of fluctuation in crude oil prices, from about US$ 35 to US$ 56. Some big players like Swiber Holdings and Ezra Holdings had to wind up their business during the year 2016-17, creating panic in most of their allies and clients. Further, due to oversupply of offshore assets across the globe, many offshore assets are idling on coasts throughout the world or operating at breakeven or below their operating costs. Besides the decline of vessels daily earning rates, vessel values have also shown a downward trend in 2016-17.

Outlook:

Although there has been a slight fall in early 2017, expectations are that crude oil prices would remain stable in 2017. Further, the world offshore industry recently showed green shoots in several global OSV markets. In the North Sea, vessels are seen exiting lay-up due to an increase in term fixtures. OSV term utilisation has shown improvement post FY 2016-17 and has recently reached a 2017 high in the Middle East. New drilling and decommissioning operations have presented potential opportunities for OSVs in West Africa and Southeast Asia. In the US Gulf, market sources, which include oil operators, have confirmed a tightening of shallow-water vessel availability which has resulted in a small increase in day rates for Spot market. However, the rates are still very low as compared to 2015-16 highs. After seeing their day rates bottom out in 2016-17 in the region, vessel owners rationalized their fleet availability to be more instep with actual spot demand. With the oversupply and low day rates, increased competition, vessel owners have been more open to taking alternative work opportunities outside the OSV market. The alternatives are more benefitive with comparatively higher rates for specific jobs, by making small modifications and adding equipments on board the vessel.

Indian scenario

During the year 2016-17, the crude oil imports itself rose by more than five percent to 213 million tonne (MT) and the crude oil import bill increased by more than nine percent to $70 billion last fiscal as compared to $64 billion recorded in 2015-2016. Further, cumulatively the country imported around 249 million tonnes of crude and petroleum products during 2016-2017, a seven percent growth over 232 MT imported in previous 2015-16.

Though, there is an increase in consumption of crude by the country over the years, the domestic production has not shown any improvement. The country's self-sufficiency in petroleum products declined from 22 percent in 2013-2014 to 18 percent in 2016-2017 due to strong consumption growth and declining domestic production.

There has been slight decline in domestic crude production which has resulted in less utilization of rigs and less utilization of offshore assets. During the year 2016-17, the Offshore Exploration and Production Supply Vessel market has gone through a period of intense turmoil. The market rates for almost all categories of offshore vessels have fallen down by around 40-45% to their earlier rates in FY 2015-16. Taking advantage of the falling market and based on outcome of its last tender, ONGC sent de-hiring notices to vessel owners during April 2016. Few of the vessel owners negotiated and accepted downward revision in their charter rates with ONGC, for balance period of contracts to keep their vessels employed. Further, the recent outcome of ONGC tenders during fourth quarter of 2016-17, shows that the competition on Indian coast is still tough.

Outlook:

The Government has recently announced the ONGC-HPCL merger and reportedly also plans to embark upon divesting its 66 percent stake in upstream oil and gas company Oil India to Indian Oil Corporation (IOC) India's largest fuel retailer. Further, in March 2017, ONGC signed pact to buy debt-laden GSPC's entire 80 per cent stake in KG-basin natural gas block for USD 1.2 billion. GSPC is struggling to start commercial production despite trial outputs starting nearly two-and-half years back.

For the outer world, India still remains as the bright spot for offshore activity. For jackups, demand in the Indian Ocean is concentrated almost only in India, mostly for ONGC. UK's BP and India's Reliance Industries Limited will be investing a total of INR 40,000 crore (USD 6 billion) in their jointly-owned R-series deepwater gas field Block KG-D6 off the east coast of India. This is the first of three planned projects in the block that are expected to be jointly developed. BP and Reliance plan to submit development plans of the satellite and D-55 fields in the block before end 2017.

B) OFFSHORE ACTIVITIES:

1 SCI owned Offshore vessels:

In the previous year, your Company's owned offshore fleet comprised of 09 vessels i.e. 03 nos. 80T Anchor Handling, Towing Supply Vessels (AHTSVs), 04 nos. 120T AHTSVs and 02 nos. Platform Supply Vessels (PSVs). Your company acquired one secondhand Multi Purpose Support Vessel (MPSV) named "SCI Sabarmati" on 18.11.2016 of 3,306 GT and 3,352.31 DWT. With this strategic acquisition, your Company's offshore fleet has increased to 10 vessels. This vessel was successfully deployed on a distinguished charter for a period of 04 years. Your Company has also signed an MOA for purchase of one more secondhand MPSV, which will be delivered in early 2017-18, and will also be deployed on long term charter.

DIRECTORS' REPORT

The offshore sector remained under pressure throughout the year due to drop in oil prices and over capacity. As the E&P companies in India reduced activities, offshore companies had to bear the brunt and your Company was not an exception, with M/s ONGC off-hiring few offshore vessels from their long term charter. Your Company has made continuous efforts to tap business opportunities and offered these offshore vessels in spot market to various clients for gainful employment. The 120T AHTSVs continue to be on long term charter with ONGC.

2 O&M of ONGC owned vessels:

2.1 Mobile Offshore Drilling Units (MODU):

In view of the expertise of your Company in management of offshore vessels, ONGC has awarded long term contract for Marine Man Management services of their two MODUs viz. "Sagar Vijay" and "Sagar Bhushan" with effect from July 2016 and August 2016, respectively, for a period of 06 years.

The interim Document of Compliance (DOC) Audit for MODUs was completed successfully by the Directorate General of Shipping on 28.12.2016 without any NC or observation. This is a significant achievement in terms of MODU operations, which is completely different from other vessels and has proved Company's expertise in the diversified field.

2.2 Samudrika series OSVs:

Your company has continued to Operate, Man and Manage ONGC's owned Samudrika series OSVs on nomination basis under 'cost plus' arrangement. At the start of the year, 04 Samudrika series vessels were under O&M contract with SCI, however, all of them were disposed off by ONGC during the course of the year.

2.3 Newly acquired OSVs by ONGC:

Out of the 12 new built OSVs at M/s Pipavav Defence and Offshore Engineering Company Ltd. order by ONGC, your company has successfully included seven vessels under its fleet of managed vessels, from 2013 onwards. Balance 5 vessels will also be handed over to SCI under O&M contract as per their respective construction and delivery schedule.

Recently, ONGC has further given Notification of Award to your Company to operate, man and manage all these 12 vessels under Operations and Maintenance (O&M) contract on cost plus remuneration basis valid till 31.03.2023, thus ensuring continued long term business for SCI.

2.4 Specialized vessels:

Your Company has continued the Operation and Maintenance management (O&M) of ONGC's 2 Multi Support Vessels (MSVs) ("Samudra Sevak" and "Samudra Prabha") and 1 Geotechnical Vessel (GTV) ("Samudra Sarvekshak") on nomination basis under 'Cost plus' arrangement. The existing contract for GTV is valid upto 31.03.2018 and that of MSVs is valid till 31.03.2019.

Your Company has also continued the Operation and Maintenance management (O&M) of ONGC owned Well Stimulation Vessel (WSV) "Samudra Nidhi" on 'cost plus basis' since the vessels delivery in year 1986. Your company has been awarded 6 years long term contract by ONGC for Samudra Nidhi, valid till 31.03.2023.

3 Emergency Towing Vessel (ETV) 2016:

On request of Directorate General of Shipping (DGS), this year also your company provided one Emergency Towing Vessel (ETV), "SCI Panna", for emergency services in the monsoon period, on West Coast of India and East Coast of India, for a total of about 160 days, w.e.f. 23.06.2016 till 30.11.2016.

4 Risks and Concerns:

The continued depressed oil prices are a concern for the offshore sector. With E&P operators reducing their activities, risk of gainful employment of our vessels exists. Also, these operators are looking to reduce their costs by way of reducing the charter rates for in-chartering of vessels, thus leading to a price war in the market. Also the risk of entry of foreign players at very low rates exists.

Your company is keeping contacts with many E&P operators with expected requirement for offshore vessels for their offshore activities. We are also searching for any long term employment for these vessels in Indian and Foreign waters. We are also offering these vessels in spot market to earn some revenue and save losses in absence of long term gainful employment opportunities.

5 Strengths and Weaknesses:

Your company has a diversified fleet of offshore vessels with 3 nos. 80T AHTSVs, 4 nos. 120T AHTSVs, 2 nos. PSVs and 1 no. MPSV, thus enabling it to cater to requirements of various clients in the offshore market. Your company also owns a fleet of young offshore vessels, thus giving a technological advantage compared to the older vessels in the market.

SCI has always focused on employing its vessels on long term basis with ONGC, which is the biggest E&P Company in India. However, dependence for majority activities on one client is putting SCI exposed to the risk of dealing with only one customer. In the year under report, taking advantage of the outcome of latest tenders and existing contractual clauses, ONGC has off-hired a few of SCI's offshore vessels which were on long term charter and has reduced charter rates of few vessels. Thereafter, in view of the subdued markets and increased supply of vessels in the market, employing these off-hired vessels has been challenging. Nevertheless, your company also has experience in successfully offering its offshore services to reputed private sector companies in India and abroad. Accordingly, our vessels are being offered to all these clients on Spot basis and also for mid / long term charters. Your company has been successful in getting its vessels employed with DRDO on a long term charter.

6 Opportunities and Threats:

The long remaining years of economic life will definitely help your company's offshore division to take advantage of growing offshore market in future. The weakness in asset prices also presents opportunities for SCI to acquire good vessels in the secondhand / resale markets at a very competitive prices, which can earn good profits at lower charter levels as currently prevailing in the short term. Your company has already acquired one secondhand MPSV and one more secondhand/resale MPSV, to be deployed on long term charter, which will definitely boost its revenues.

Based on the outcome of the last tender of ONGC, not only the rates have gone down but the number of Indian flag vessels offered are more than the requirement in each category of vessel requirement (AHTSVs, OSVs and PSVs). Further with the falling assets prices, many new players are coming with vessels and offering charter hire rates much lower than breakeven rates of our vessels. Your company is also looking at various other prospects for employing its vessels, which include Government organizations and is also trying to boost its revenues by enhancing its managed vessel fleet, like the 2 nos. MODUs of ONGC which have been taken over by SCI.

C) Awards/Accolades:

1 INS Viraat, the world's oldest aircraft carrier, was accorded a grand send-off from the port in Kochi, after over five decades of its service to the Navy.

The ship, after decommissioning refit, was towed back successfully by three tugs to Mumbai for decommissioning. It was great privilege that one of your Company's offshore vessel, "SCI Mukta", was nominated for towing operations of "INS Viraat".

2 ONGC Mumbai, Sectorial Health Safety Environment (HSE) Cell, has awarded MSV Samudra Sevak (operated and managed by SCI) the best HSE performance Multi Support Vessel for the year 2016-17.

D) Technical Services:

1 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 and 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.

2 Tonnage Acquisition Programme:

The year under report is the last year of the country's twelfth Five Year Plan. During the year under report, your company had proposed an outlay of ₹956.76 crore towards acquisition of vessels and investment in JVs. Your company had envisaged acquisition of secondhand/ resale offshore vessels, Suezmax Tankers and VLGC size LPG carriers and also investment in LNG JV.

Your Company has taken delivery of one secondhand Multipurpose Support Vessel (MPSV) renamed "SCI Sabarmati" during the year. Your company has also acquired one resale MPSV renamed "SCI Saraswati" after carrying out required modifications. SCI has also acquired one secondhand Suezmax tanker i.e "Desh Abhimaan". Further, tenders were floated for acquisition of one secondhand VLGC and an additional Suezmax Tanker(s). By the end of the year, these tenders were in various stages of processing.

Asset prices continue to remain at low levels, hence your company will continue to look for opportunities to acquire vessels via the secondhand/resale market.

3 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.

On new vessels, electronic engines are being fitted in order to reduce fuel consumption and improve operational efficiency. The latest VLCC "Desh Vibhor" was informatively fitted with electronic engines.

Your company has decided to implement specific measures to improve fuel consumption and operational efficiency, like turbocharger cut out device was fitted on some of the Container vessels and trim optimization was implemented on some of the Aframax tankers.

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. 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.

4 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.

For 500 passenger vessels under construction at M/s Cochin Shipyard Ltd., SCI as a technical consultant recommended installation of "Active Fin Stabilizers" to reduce the rolling periods thereby increasing the passenger comfort. Further on 1200 Passenger vessels under construction at same yard, automatic anti-heeling system, Ballast Water Treatment Plant (BWTP) and Integrated Alarm and Monitoring System (IAMS) have been recommended by SCI.

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. Further, on new 1200 Passenger ships for A&N Administration, SCI has recommended diesel-electric propulsion system to improve operational efficiency.

5 Situation in Coastal operation and Offshore areas:

The offshore sector remained under pressure throughout the year due to drop in oil prices and over capacity. As the E&P companies in India reduced rig activities, all offshore operations were affected and demand for vessels was on the decline. One of the major events has been the sudden de-hiring of all indian offshore vessels by ONGC which were on long term contract. Thereafter charter rates at which vessels are being hired by ONGC have fallen considerably and continue to remain at low levels.

In this scenario, your Company has been making continuous efforts to tap new business opportunities and has offered all our offshore vessels on time charter as well as in Spot market for gainful employment. SCI was successful in obtaining 4 year long term charter for 2 offshore vessels, and is continuously taking efforts to increase its customer base.

6 Measures taken to improve services and operations :

Your Company has consistently taken measures to maintain its ships to the highest standards of performance by effective and planned maintenance of machinery/equipment on board vessels and close monitoring from shore also. The repairs were planned utilizing compensable downtime in an effective manner to minimize chargeable off-hire.

Further, your Company has been successful in being awarded with Marine Man Management of ONGC owned two Mobile Offshore Drilling Units (MODUs). The long term O&M contracts have been awarded to SCI for a period of 6 years from 2016. The addition of these MODUs will boost earnings and also meet Company's larger technical and commercial objective.

IV 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 recognizing that the cornerstone of good Safety Management is a commitment from the top management, coupled with the competence, attitude and motivation of individuals at all levels, that determines the expectations of a good Safety Management System.

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

Presently SCI holds 07 (Seven) separate Document of Compliance for individual ship types as under:

1. Bulk Carriers (Indian Administration) – Valid till 18.11.2017.
2. Oil Tankers and Gas Carriers (Indian Administration) – Valid till 18.11.2017.
3. Passenger Ships (Indian Administration) – Valid till 18.11.2017.
4. Other Cargo Ships (Indian Administration) – Valid till 14.03.2021.
5. MODU Vessels (Indian Administration) – Valid till 27.12.2017.
6. Gas Carriers (Malta) for LNG Vessels - Valid till 26.05.2019.
7. Gas Carriers (Singapore) for LNG Vessels - Valid till 26.05.2019.

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

The last annual DOC Verification Audit of the Company was carried out as follows:

1. DOC issued by Indian Administration – 25.01.2017.
2. DOC issued by Malta Administration – 19.08.2016
3. DOC issued by Singapore Administration – NA

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

New acquisitions are brought under the SMS, before delivery, with full compliance of the ISM Code.

The achievement of time-bound certifications was the result of the SCI's strength of professional experience, planning, training, execution, systematic analysis and quality expertise, which is an asset for any world-class ship operator or owner. The SCI is also in a position to provide such management expertise to other national/international ship operators.

Awards and Appreciation:-

1. Awarded 'Shipping Company of the Year (Indian Flag)' at Samudra Manthan awards on 15th Dec 2016.

2. Exceptional Bravery Award at Sea to Master of Desh Shanti (Capt. Devendra Kumar) for the rescue operation in Gulf of Oman on 03rd Feb 2017.
3. Appreciation letter dated 26th Nov 2016 to SCI OSV 'PR Nayak' from Offshore Defence Advisory Group (ODAG) of Indian Navy.
4. Appreciation to Samudra Nidhi from ONGC for the best HSE Performance for 2015-16.
5. Appreciation to OSV 'SCI Nalanda' from the Indian Administration (DG Shipping) for the successful wreck inspection and videography of the wreck 'RAK Carrier' off Mumbai.

SCI's Drug and Alcohol Policy:-

SCI has implemented new Drug and Alcohol Policy prohibiting drug and alcohol abuse both ashore and afloat for the health and welfare of its employees, operational safety and the environment from 03rd May 2016.

ISPS Cell

The SCI has successfully implemented the ISPS Code on all vessels on international voyages and coastal trade vessel as per the Administration requirement.

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.

Integrated Management System (IMS)

SCI is in compliance with IMS (ISO 9001:2008 – Quality Management System, ISO 14001:2004 – Environmental Management System and OHSAS 18001:2007 – Occupational Health and Safety Management System) on board all vessels and shore establishments.

The required certification was obtained on 23rd December, 2015 valid till 14th September 2018 by IRQS.

Further, ensuring efficient working and monitoring of IMS, annual IMS Internal Audit was carried out in 2016. Also, 1st Surveillance IMS External Audit was carried out from 21st to 23rd November 2016 by Indian Register Quality Systems (IRQS).

V PERSONNEL AND ADMINISTRATION

1 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 280 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 was organized on 08.07.2016 at MTI, Powai, our training institute, for the year 2015. The awards were conferred in 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. For the year 2016, "Fleet Safety Awards" are scheduled to be held in August 2017.

2 Maritime Training Institute (MTI)

Your Company's Training Centre at the MTI at Powai, Mumbai has conducted 350 Courses for 6397 participants and the total man-days trained during this year is 93809. These included 86536 man-days for SCI's personnel and 7273 man-days for personnel from other companies. In addition to this, 56 of SCI's personnel were trained outside MTI and the additional man-days of training are 239. 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's Training Centre at the MTI at Powai, Mumbai, has been rated GRADE A1 (Outstanding) and MTI at Tuticorin has been rated GRADE A2 (Very Good) by ClassNKK as per Comprehensive Inspection Program (CIP) of the Directorate General of Shipping, Government of India.

3 Shore Personnel

The total manpower as on 01.07.2017 is 749 excluding CMD, Four Functional Directors and CVO, out of which 653 are officers and 96 are staff members.

Various training programmes, both in-house and outside, including General Management Training programmes have been held for the employees for development of their skill sets and domain knowledge.

4 Reservation Policy

Your company is complying with all government guidelines as applicable from time to time in respect of reservation policy so as to empower the weaker sections of the society.

DIRECTORS' REPORT

5 SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2017 and number of appointments made during the preceding calendar year:

Report I:

Name of the Public Enterprise: The Shipping Corporation of India Ltd.												
Groups	**Representation of SCs/STs/OBCs (As on 1.1.2017)**				**Number of appointments made during the calendar year 2016**							
					By Direct Recruitment				**By Deputation/Absorption**			
	Total no. of employees	**SCs**	**STs**	**OBCs**	**Total**	**SCs**	**STs**	**OBCs**	**Total**	**SCs**	**STs**	**OBC**
1	2	3	4	5	6	7	8	9	10	11	12	13
Executives A	663	132	52	100	21	1	0	14	6	3	1	2
Non Executives B	78	25	4	3	0	0	0	0	0	0	0	0
C	23	7	1	0	0	0	0	0	0	0	0	0
D	1	0	0	0	0	0	0	0	0	0	0	0
Total (Executives in Grade 'A' plus Non - executives)	765	164	57	103	21	1	0	14	6	3	1	2

Note: A Special Recruitment Drive for OBCs was conducted in April – May 2016 wherein 15 OBCs were recruited.

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

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

Your company has framed its CSR policy in line with the guidelines contained in the Companies Act 2013 and Companies (CSR Policy) Rules, 2014 notified therein and constituted CSR - SD committees as per the act to coordinate and oversee the implementation of CSR initiatives. The budget available for CSR initiatives in the year 2016–17, as per applicable provisions was ₹ 3.19 Crores. Against the available budget, your company allocated ₹ 3.19 Crores against following initiatives in the year 2016–17.

a. Promoting Preventive Health Care: Your company joined hands with Shri Sant Acchyut Maharaj Heart Hospital, Amravati, for construction of an extension building at the hospital premises for the benefit of public at large.

b. Promotion of Education – Your company awarded scholarships to meritorious students from weaker section of the society, viz. SC/ST/BPL candidates, pursuing Ocean Engineering/Naval Architecture/Nautical Science/GME courses at premier institutes (IMU's, IIT's and MTI) to encourage and support Maritime Education in the country.

c. Promotion of Sports – Realizing the need for Promotion and Development of Sports in the Country, your Company has contributed to National Sports Development Fund (Department of Sports), Govt. of India.

d. Your company undertook the construction/renovation/maintenance of 61 toilets across the country under Swachh Bharat Abhiyan of Govt. of India.

Against the allocation of ₹ 3.19 Crores, ₹ 1.99 Crores have already been spent and balance will be released on achievement/completion of project specific timelines.

7 Awards and Accolades

Your company is happy to report that its efforts have been recognized 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. Most Compassionate Employer of Indian Seafarers Award by National Maritime Day Celebrations Committee on 05.04.2016 (National Maritime Day).
2. Shipping Company of the Year (Indian Flag) Award in "Samudra Manthan Awards 2016".
3. Training Institute of the Year Award in "Samudra Manthan Awards 2016".
4. Excellence in maritime education Award in Maritime Gateway Award.

5. Best Enterprise Award (Navratna) – 3rd Prize, by WIPS under the aegis of SCOPE.
6. HR Leadership Award (PSU Focus) by World HRD Congress.
7. CEO with HR Orientation by Asia – Pacific HRM Congress Awards 2015.

8 Women Representation

Your company is committed to the principle of equal employment opportunity and strives to provide employees with a work place free of discrimination. All HR activities of recruitment, placement, promotion, transfer, separation, compensation, benefits and training ensure equal opportunities for skill enhancement and career progression.

Your company's efforts are reflected in the representation of women across various hierarchical grades. 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, 3 Masters, 5 Chief Officers, 27 second/third officers and 4 Fourth Engineers are women serving on various types of ships of your company which is amongst 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 (3rd Prize)" under Navratna Category.

9 Policy to prevent sexual harassment in workplace

Your company promotes gender equality and has been taking proactive measures to prevent any sexual harassment at workplace. Your company has constituted a committee comprising of senior women executives and a woman representative from the NGO Pratham to enquire into complaints of Sexual Harassment at the workplace. No cases of sexual harassment have been reported during the year ended 31st March, 2017.

10 Implementation of Official Language Policy

With firm determination to spread the use of Official Language Hindi in its offices, your Company continued to make utmost efforts during the year under review. Accordingly, your Company organized various Hindi competitions, viz. Noting and Drafting, Quiz, Hindi Prose and Poetry Presentation competitions at a regular interval to encourage use of Hindi in day to day work. Half-day Hindi Unicode computer workshops on monthly basis were also conducted to boost the confidence of the employees to work progressively in Hindi on computers.

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. Some of our employees have been awarded incentives under the above scheme.

During the year, your Company also arranged a Hindi Seminar on the theme "Aantarik Graahak Ullas" in association with another public sector company for the employees of Town Official Language Implementation Committee (TOLIC) member organisations in Mumbai. During the Hindi Pakhwara in September 2016, an in-house Linguistic Harmony Culture Programme was staged in which poetry recitals and songs in regional languages like Marathi, Gujarati, Konkani, Punjabi were presented. In order to update the employees, a Workshop on Hindi IT Tools was also conducted with the help of Hindi Teaching Scheme officials. Besides this, your Company also participated in TOLIC meetings conducted during the year under report.

11 Procurement

Your company contracts periodically for procurement and supply of high value items like Marine Lubes, Marine Paints, Charts, wire ropes, etc. This ensures timely supply of quality goods/services to the vessels at reasonable prices.

Being a responsible Corporate, your Company continues to support the medium and small scale Enterprises by procuring a part of its supplies and services from MSME.

12 Protection and Indemnity (P&I) Insurance

The Protection and Indemnity (P&I) Insurance covers for your company's fleet for the policy year 2017-18 commencing from 20.02.2017 has been negotiated by Your Company. Your Company, after protracted negotiations, was able to obtain a reduction of 7.8% in the renewal premium over the expiring premium resulting in a net reduction of USD 503,695 towards renewal premium for policy year 2017-18.

Further, your company is glad to inform you that P&I Clubs have refunded 5% -10% of the premium for the year 2016-17 to your company (and other members) in view of their better performance.

13 Appointment and Remuneration Policy

The appointments in your company are done in accordance with Government of India guidelines. The remuneration to the senior management and other shore employees of your company is governed by the Presidential Directives issued by the Ministry of Shipping and Department of Public Enterprises (DPE), from time to time, which form the remuneration policy of your company.

VI. 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 31.03.2017, your Company has disposed off most of the applications and appeals received from the parties.

VII (A) JOINT VENTURE COMPANIES

1. India LNG Transport Co.(No.1), (No.2) and (No.3) Ltd.

SCI has entered into three JVCs with three Japanese Companies viz. Mitsui O.S.K.Lines (MOL), Nippon Yusen Kabushiki Kaisha (NYK) and Kawasaki Kisen Kaisha Ltd. (K Line) along with Qatar Shipping Company (Q Ship) in case of ILT No. 1 and 2 and Qatar Gas Transport Company (QGTC) in case of ILT No. 3, each owning and operating an LNG tanker deployed in the import of a total of 7.5 million metric ton per annum of LNG for the Dahej Terminal of M/s Petronet LNG Ltd (PLL). SCI is the first and only Indian company to enter into the high-technology oriented and sunrise sector of LNG. SCI is the manager for these three companies and managing techno-commercial operations of 3 LNG tankers.

2 India LNG Transport Co. No. 4 Ltd.

SCI has entered into 4th JV formed in Singapore, with the same three Japanese companies viz. Mitsui O.S.K.Lines (MOL), Nippon Yusen Kabushiki Kaisha (NYK) and Kawasaki Kisen Kaisha Ltd. (K Line) along with Petronet LNG Limited (PLL), to own and operate one 173,000 CBM LNG Tanker for transporting 1.44 million metric tons of LNG from Gorgon, Australia to Kochi, India for charterers Petronet LNG Limited. The 4th LNG carrier has been constructed at the Hyundai Heavy Industries, South Korea and was delivered on 30th November 2016. SCI is the manager for this company and is managing the techno-commercial operations since the delivery of the vessel.

3. SAIL SCI Shipping Pvt. Ltd. (SSSPL)

SCI and SAIL had co-promoted a JVC "SAIL SCI Shipping Pvt. Ltd." (SSSPL), which was primarily to cater to SAIL's shipping requirements. The JVC was incorporated on 19.05.2010. However, due to continued depressed freight levels, the JVC could not justify tonnage acquisition and both the Boards of SCI and SAIL decided to voluntarily wind up the company and the process for winding up has been initiated.

4. Irano Hind Shipping Company Ltd. (IHSC)

Although sanctions imposed by the United Nations and European Union were lifted, the feasibility of commercial operations with depleted tonnage and continued primary US sanctions is limited and continued operation of the Joint Venture is hence, uncertain at this stage.

VII (B) SUBSIDIARY

1 Inland And Coastal Shipping Limited

India has a long coastline admeasuring 7500 km. and a large network of river systems. Despite this, very little attempt has been made to interlink these natural assets for a seamless, environment friendly transport system. In a bid to remedy this lacuna, during the Maritime India Summit 2016, the Inland Waterways Authority of India (IWAI) entered into a Memorandum of Understanding with The Shipping Corporation of India (SCI) on 15th of April 2016 to develop this field of domestic transport. Both parties agreed to work towards tapping the synergies of high sea shipping, coastal shipping and inland waterways to establish an integrated system of water transportation across the hinterland, the coasts and the high seas.

For this purpose, the SCI Board approved the formation of a dedicated subsidiary company of SCI, based in Kolkata. The Company has been named as "INLAND and COASTAL SHIPPING LIMITED" (ICSL). The subsidiary company is working on development of a viable business plan on this segment

VII (C) SPECIAL PURPOSE VEHICLE

1 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 2016-17, SCI has invested ₹ 50 crore in the project. Work suspended since 17.09.2007 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 27.7.2009. SSCP case was posted for hearing on 26.11.2015 but the case was adjourned. The arguments on both sides is yet to be commenced. The next hearing date on the above case is yet to be announced.

VIII 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 2015-16 with a Composite Score of 82.03. The MOU for the financial year 2016-17 was signed and would be due for the evaluation in 2017-18. Now, SCI is in the process of finalization of MOU for the financial year 2017-18, as per the guidelines issued by the Department of Public Enterprise (DPE) for the year incorporating performance targets in sync with the changing dynamics of the shipping scenario. In addition to Financial Parameters, the MOU continues to accord due emphasis to several other important areas / activities such as Customer Satisfaction and redressal of customer grievances, etc. Moreover activities under other parameters viz. 'Human Resource Management' and certain additional parameters as per the DPE requirements have also been incorporated in the MOU for achieving sustained overall growth.

DIRECTORS' REPORT

IX. 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 01.04.2016	4	436
2	Number of shareholders who approached for transfer of shares from suspense account till 31.03.2017	0	0
3	Number of shareholders to whom shares were transferred from suspense account till 31.03.2017	0	0
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2017	4	436
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 30.06.2017	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.

X Utilization of FPO Proceeds

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

During the year 2010-11, your Company had floated 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. 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 payments for two projects. The investment in the rescinded contracts out of the FPO Proceeds was ₹ 330.65 crores.

Your Company has received back entire sum of ₹ 330.65 crores from the shipyards. The shareholders vide the resolution passed through postal ballot on 11.02.2017 approved the proposal to re-deploy the said sum of ₹ 330.65 crores received as refund from Shipyards, towards various shipbuilding projects including offshore assets and liquid petroleum gas (LPG) vessels and also for acquisition of any other such vessels, on such terms and conditions as the Board would deem fit from time to time as mentioned in the approval of the postal ballot. Further based on the approval granted by the shareholders, the Company can also utilize the sum towards the balance payments remaining due for the tonnage acquisition made by it.

Out of the said amount of ₹ 330.65 crores, an amount of ₹ 125.82 crores has been utilized till date as under –

Month and Year	₹ Crs.	Utilized for
November 2016	34.37	Equity portion of PSV – SCI Sabarmati
April 2017	63.82	Equity portion of Suezmax Tanker – Desh Abhiman
July 2017	27.63	Equity portion of PSV – SCI Saraswati
Total Utilized till date	125.82	

XI Segment-wise Performance

Report on performance of the various operating segments of the Company (audited) is included at Note No. 30 of Notes on Financial Statements (Standalone) for the year ended 31st March 2017, which is forming part of the Annual Accounts.

XII Internal Control System

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Internal audit is carried out by an independent firm of Chartered Accountants M/s T.R. Chadha and Co. LLP on concurrent basis. The scope and authority of the Internal Audit function is defined in the Internal Audit Plan, which is approved by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function submits quarterly reports to the Chairman of the Audit Committee of the Board. The Internal Audit examine, evaluate and report on the adequacy and effectiveness of the internal control systems in the Company, its compliance with the laid down policies and procedures and ensure compliance with applicable laws and regulations. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are reviewed, deliberated and presented to the Audit Committee of the Board.

XIII Dividend Distribution Policy

The Dividend Distribution Policy of SCI seeks to reward its shareholders for their trust and investment in Company's business objectives. The declaration and payment of dividend will be regulated by the Companies Act 2013 (LoDR) 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 performance. The dividend distribution will also be subjected to restrictions / conditions, if any, imposed by lenders, orders of Courts and / or statutory bodies.

XIV 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 greater transparency and towards improved ethical and corporate governance standards. Vigilance Division achieved a proper balance between preventive and punitive vigilance and also ensured adoption of good and ethical corporate governance practices towards achieving the stated objective of making your Company corruption-free.

Technology has been leveraged for achieving greater transparency and for eliminating systemic weaknesses through various 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; bill tracking system and dissemination of important circulars/guidelines on the webpage.

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.

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

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

The important activities that were carried out in 2016-17 by the Vigilance Division were as follows:-

A) Investigations into complaints of corruption/malpractice were conducted.
B) Random scrutiny of Annual Property Returns (APRs).
C) 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.
D) 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.
E) Conducting surprise and periodic inspections, CTE type inspections, conducting Systems Studies and recommending systemic improvements.
F) Selective scrutiny of Voyage Repairs Bills, major works, dry-docking bills, various accounts.
G) Ensuring training of Vigilance Officers both on vigilance related subjects as well as general management
H) Imparting training to fresh recruits on vigilance issues.
I) 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.
J) In partnership with Mumbai Port Trust and Jawaharlal Nehru Port Trust, the message of Vigilance was spread to the public via FM Radio during Vigilance Awareness Week.

An annual Newsletter titled "SCI Voyager" was also brought out on the occasion of Vigilance Awareness Week. This is being done with a view to spreading vigilance awareness amongst employees.

Vigilance Study Circle Mumbai Chapter:

The Vigilance Study Circle Mumbai Chapter was started on the initiative of SCI Vigilance Division on 16-8-2010. 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. VSC conducted training programmes for the betterment of professionals of various PSUs.

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.

Integrity Pact in the Shipping Corporation of India Ltd.:

SCI had signed a Memorandum of Understanding (MoU) with Transparency International India for the adoption of Integrity Pact. By signing the MoU, your Company is committed to have most ethical and corruption free business dealings with the counterparties whether they are bidders, contractors or suppliers. The 'threshold value' for implementation of Integrity Pact in domestic goods and service contracts is ₹ 1 crore. Thus, any goods/services contract of ₹ 1 crore and above will incorporate the 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.

XV 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 and 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 recognized and allowed. 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.

XVI SET-IT

SCI has implemented a large scale integrated ERP systems using SAP, DANAOS , AFSYS and Ship Module softwares and all the stake holders such as customers, vendors, agents, employees and the management are getting benefitted. A disaster recovery site is built at Kolkata office to ensure business continuity during any emergency. Periodic System audits are carried out on internal controls and cyber security and most of their recommendations are being implemented. E-tendering platform is extensively being used for procurements which enable transparency and efficiency in procurement processes. Vendor Bill tracking and monitoring system is implemented to assist the vendors to know the status of their invoices. Other IT initiatives such as implementation of Business Intelligence Dashboard and GST (Goods and Services Tax) related changes on ERP Projects are in progress.

XVII Cautionary Statement

The statements made in the Management Discussion and 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.

XVIII Board of Directors

Capt. Anoop Kumar Sharma assumed charge as Chairman and Managing Director of SCI on 12.9.2016 from Capt.B.B. Sinha, Director (P&A), who was holding additional charge of CMD till 11.9.2016. Shri Sanjeev Ranjan, Special Secretary and Financial Advisor (Ministry of Shipping) ceased to be a Director on the Board of SCI with effect from 13.1.2017. Shri Barun Mitra, Joint Secretary (Shipping) ceased to be a Director on the Board of SCI w.e.f 2.3.2017. Dr. Pradeep Kumar, Joint Secretary and Financial Advisor (Shipping) and Shri Pravir Krishn, Joint Secretary were appointed as Directors on the Board of SCI in place of Shri Sanjeev Ranjan and Shri Barun Mitra respectively. However, Shri Pravir Krishn and Dr. Pradeep Kumar ceased to be on the Board of SCI w.e.f 25.7.2017 and 27.7.2017 respectively. Subsequently, Smt. Leena Nandan assumed charge of Additional Secretary and Financial Advisor vice Dr. Pradeep Kumar w.e.f 3.8.2017.

Capt. K. Devadas ceased to be Director on the Board of SCI w.e.f 1.3.2017 due to superannuation.

Capt. S. Narula ceased to be Director on the Board of SCI w.e.f 1.8.2017 due to superannuation. Capt. Sinha ceased to be Director on the Board of SCI w.e.f 12.8.2017 as he decided to opt for VRS which was accepted by Government of India.

The Board record its appreciation for the services rendered by the concerned Directors.

Capt. Anoop Kumar Sharma, CMD (SCI) holds additional charge of Director (T&OS) and Director (L&PS) w.e.f 1.3.2017 and 1.8.2017 respectively. Smt. H.K. Joshi holds additional charge of Director (P&A) w.e.f 12.8.2017.

XIX 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 and DPE guidelines.

XX Auditors Report

The Comptroller and Auditor General of India in their Comments for the year ended 31st March 2017 have brought out that;

Standalone & Consolidated Balance Sheet

Trade Receivables – ₹658.71 crore [Note 7(f)]

This includes ₹6.05 crore being unbooked off-hires and short paid service tax in respect of eight vessels deployed between March 2014 and March 2017 based on Charter Party agreements entered into with M/s. Poompuhar Shipping Corporation Limited. Since the off-hire details were available with the Company, the Company should have made provision for doubtful debts. This has resulted in overstatement of Trade Receivables and profit by ₹6.05 crore.

DIRECTORS' REPORT

The Directors reply to the above comment is as below:

Though the off-hire details were available, the provision for off-hire could not be made in FY 2016-17 in the absence of supporting documents to substantiate the claims from M/s. Poompuhar Shipping Corporation Limited. The supporting documents were submitted to SCI team which visited their office in June 2017, i.e. after Financial Statements were approved by the board. The documents are under scrutiny and off-hire claims are being reconciled. The necessary adjustments/ booking are being carried out in FY 2017-18.

XXI 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 2016-17 is appended to the Director's Report. The secretarial auditor in his report for the year ended 31st March, 2017 has bought out that:

The Corporation has complied with the requirements of Corporate Governance as provided under Regulation 17 of the 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.

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. SCI is following up with the Ministry of Shipping for appointment of required number of Independent Directors.

XXII Corporate Governance

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

XXIII 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:

(a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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 and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, in the 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;

(f) 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.

XXIV 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, former Secretary to the Government of India, Ministry of Shipping and Shri Ravikant, the existing Secretary, Ministry of Shipping for their guidance.

Your Directors also wish to express their thanks to the officials in the Ministry of Shipping, Road Transport and 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

Place : Mumbai

Capt. Anoop Kumar Sharma

Dated: 24th August, 2017

Chairman & Managing Director

CORPORATE SOCIAL RESPONSIBILITY 2016-17

1	**A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**	The Corporate Social Responsibility vision of the 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. The thrust of SCI CSR initiatives in 2016-2017 are in the following broad areas : a. Promotion of Preventive Health Care b. Scholarships for Maritime Education c. Projects under the Swachh Bharat Abhiyan d. Promotion of National Sports Weblink: http://www.shipindia.com/profile/corporate-social-responsibility/csr-activities.aspx
2	**The Composition of the CSR Committee**	In accordance with the provisions of the Companies Act 2013 and Companies (CSR Policy) Rules 2014, SCI has constituted two Committees for the effective implementation of its Corporate Social Responsibility Policy. They consist of: Tier I Committee: C&MD (Chairman of the committee) One Independent Director Director (P&A) - Ex officio member & Convener of the committee One Functional Director - Member Tier II Committee: Vice President I/C (P&A) – Ex officio Nodal Officer General Manager (CSR) - Ex officio member 2 Officials from Personnel & Administration Division
3	**Average net profit of the company for last three financial years.**	₹ 159.51 Crores
4	**Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**	₹ 3.19 crores
5	**Details of CSR spent during the financial year**	(a) Total amount to be spent for the financial year; ₹ 3.19 Crores (b) Amount unspent, if any; NIL (Out of ₹ 3.19 Crores allocated towards CSR Projects, ₹ 1.99 Crores have already been disbursed. Balance ₹ 1.20 Crores though allocated, has not been disbursed being construction linked payment for the Projects. (c) Details of amount spent during the financial year: Attached at Annex-1
1.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report. NA	
2.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company	

The CSR Sub-Committee of the Board has approved the allocation of CSR fund for the various Projects undertaken during the year 2016-17 which are in compliance with the Objectives and CSR Policy of the Company.

NA

(Chief Executive Officer or Managing Director or Director)	(Chairman CSR Committee)	(Person specified under clause (d)of sub-section (1) of section 380 of the Act) (Where applicable)

CORPORATE SOCIAL RESPONSIBILITY 2016-17

Annexure I

CSR Projects	Sector	State & district of the project coverage	Amount Outlay Project wise	Amount Spent on the project (i) Direct Expenditure (ii) Overheads	Cumulative Expenditure upto reporting period	Amount Spent : Direct or through Agency
Construction of an "Extension hospital building" at Shri Sant Acchyut Maharaj Heart Hospital, Amravati	Preventive Health Care	Amravati, Maharashtra	12,000,000.00	3,600,000.00	3600000/- The remaining funds are construction linked payment for the Project.	Shri Sant Acchyut Maharaj Heart Hospital, Amravati
SCI CSR Scholarships to SC/ST/ BPL students pursuing Ocean Engineering/Naval Architecture/ Nautical Science/Marine Engineering courses at premier institutes of the country.	Education	Chennai/ Mumbai/ Vizag/ Kolkata/ Kharagpur	4,000,000.00	4,005,000.00	4,005,000.00	IIT's/IMU's/MTI
Promotion and development of Sports in the country, contribution to National Sports Development Fund (Department of Sports)	National Sports	India	2,100,000.00	2,100,000.00	2,100,000.00	National Sports Development Fund (Department of Sports) Govt. of India
Construction of community toilets at Port Blair in association with Port Blair Municipal Corporation	Swachh Bharat Abhiyan	Port Blair	3,800,000.00	2,000,000.00	2000000/- The remaining funds are construction linked payment for the Project.	Port Blair Municipal Corporation
Installation of Eco-Toilets at Govt. schools of Shrawasti district of U.P., in association with Hardicon Limited.	Swachh Bharat Abhiyan	Shrawasti/ Balrampur, Uttar Pradesh	3,400,000.00	1,661,250.00	1661250/- The remaining funds are construction linked payment for the Project.	Hardicon Limited.
Construction of girls toilet at Govt. schools of Punjab, in association with Sarva Shiksha Abhiyan Authority, Punjab	Swachh Bharat Abhiyan	Punjab	2,300,000.00	2,260,000.00	2,260,000.00	Sarva Shiksha Abhiyan Authority, Punjab
Construction of toilets at Govt. schools of Ajmer & Jhalawar district of Rajasthan, in association with Rajasthan Council for Elementary Education	Swachh Bharat Abhiyan	Ajmer & Jhalawar Rajasthan	3,800,000.00	3,780,000.00	3,780,000.00	Rajasthan Council for Elementary Education
Renovation/Maintenance of public toilets around SCI offices	Swachh Bharat Abhiyan	Mumbai/ New Delhi	500,000.00	335,126.00	335126/- The remaining funds are construction linked payment for the Project.	Jai Jawan Vikas Nagrik Sanstha, Mumbai/ NDMC
Administrative Expenses : (site inspection)				147,330.00	147,330.00	
Total			**31,900,000.00**	**19,888,706.00**	**19,888,706.00**	

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March,2017, pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN)**	L63030MH1950GOI008033
2.	**Name of the Company**	The Shipping Corporation of India Limited
3.	**Registered address**	'Shipping House', 245, Madam Cama Road, Mumbai-400 021.
4.	**Website**	www.shipindia.com
5.	**E-mail id**	hr@sci.co.in
6.	**Financial Year Reported**	2016-17
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	50120 (Sea and coastal freight water transport)
8.	**List three key products/services that the Company manufactures/provides (as in Balance Sheet)**	1. Dry Bulk Transportation Services 2. Crude Oil & POL Transportation 3. Container Transportation Services 4. Offshore Services. 5. Marine Technical Services
9.	**Total number of locations where business activity is undertaken by the Company** **i. Number of International Locations (Provide details of major 5)** **ii. Number of National Locations**	I. International a) London b) Singapore c) China d) Dubai e) Middle East II. National a) Mumbai b) Kolkata c) Chennai d) New Delhi e) Mundra f) Port Blair
10.	**Markets served by the Company – Local/ State/ National/ International**	National/ International

Section B: Financial Details of the Company

1.	**Paid up Capital (INR) :**	₹ 46580 lakhs
2.	**Total Turnover (INR) :**	₹ 344687 lakhs
3.	**Total profit after taxes (INR) :**	₹ 13552 lakhs
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :**	₹ 3.19 Crore (2%)
5.	**List of activities in which expenditure in 4 above has been incurred:**	In accordance with the schedule VII of the Companies Act,2013 the areas of CSR intervention for FY 2016-17 are as follows: a. Promotion of Preventive Health Care b. Promotion of Maritime Education c. Projects under the Swachh Bharat Abhiyan as per Govt. of India notification d. Promotion of National Sports

Section C: Other Details

1.	**Does the Company have any Subsidiary Company/ Companies?**	M/s Inland & Coastal Shipping Ltd (a wholly owned subsidiary)
2.	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	As on 31.03.2017, the company was not operational.

3.	**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**	NA

Section D: BR Information

1. Details of Director/Directors responsible for BR
   a) Details of the Director/Director responsible for implementation of the BR policy/policies
      - DIN : 06477074
      - Name : Capt. Bipin Bihari Sinha
      - Designation : Director (P&A)

   b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Ms. Sujata Gokhale
3.	Designation	VP In-charge (P&A)
4.	Telephone number	022-2277 2562
5.	e-mail id	sujata.gokhale@sci.co.in

I . Principle-wise SCI BR Policy based on NVGs issued by MCA (Reply in Y/N)

S.No.	Questions	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	**Do you have a policy for all the principles?**	YES							
2.	**Has the policy being formulated in consultation with the relevant stakeholders?**	YES							
3.	**Does the policy conform to any national/international standards? If yes, specify? (50 words)**	SCI Business Responsibility Policy is based on SEBI Guidelines and principles of UN Global Compact, Transparency International, ISO 14000 & 18000 Standards.							
4.	**Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**	YES							
5.	**Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**	YES							
6.	**Indicate the link for the policy to be viewed online**	http://www.shipindia.com/investor-relations/shareholder-info/Disc_Listing_Reg.aspx							
7.	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	The Policy has been displayed in SCI website which can be accessed by general public.							
8.	**Does the company have in-house structure to implement the policy/policies?**	YES							
9.	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**	YES							
10.	**Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	No *							

*The current Financial Year being the first year of implementation of the Policy, the Company is yet to make decision about independent audit/evaluation of the working of this policy by an internal or external agency.

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

If answer to 'I' above against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	**The company has not understood the Principles**	Not Applicable								
2.	**The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles**									
3.	**The company does not have financial or manpower resources available for the task**									
4.	**It is planned to be done within next 6 months**									
5.	**It is planned to be done within the next 1 year**									
6.	**Any other reason (please specify)**									

2. Governance related to BR

1.	**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**	3-6 months
2.	**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**	The Business Responsibility Report is published annually.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.

   It covers all the stakeholders including company's employees & Directors.

   Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?

   The policy extends to the Joint Ventures, Subsidiaries, Suppliers, Contractors etc.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.*

Details w.r.t. Shareholders Grievances received, pending and redressed during the year are as follows:

Sr No	Particulars	No. of Shareholders Grievances
1	Complaints pending at beginning of year 01.04.2016	Nil
2	Complaints received during the year	4
	1st Qtr.	Nil
	2nd Qtr.	2
	3rd Qtr.	1
	4th Qtr.	1
3	Complaints disposed of during the year	3
4	Complaints remaining unresolved at the end of the year 31.03.2017	1

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The company is engaged in the business of providing Sea transportation services. The company has adopted latest technologies on its ships to improve environmental sustainability by:

   i. Reducing NOx & SOx emissions from its ships to improve air quality & reduce carbon footprint.

   ii. Use of tin free paints on the ship's hull to sustain marine eco systems.

   iii. Prohibition on discharge of oil, solid waste & sewage etc. from its ships.

iv. Use of solar power & LED lighting.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
   i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

      Reduction in sourcing of oil fuel for ships by 14,210 MT
   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      Reduction of consumption of electricity by over 3.30 Lakhs units at Shore Establishments.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
   i. If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.*

      The company sources the bunker fuel for its ships which has less than 0.1% of sulphur content for ECA areas and not more than 3% for other areas.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   SCI as a policy endeavors to procure about 20% of its requirement from medium & small producers. We strive to promote local & small producers as a key initiative of our vendor management policy.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   We aim to recycle the waste generated on our ships and in our shore establishments including the Training Institutes. We promote composting in our training centre at Powai.

Principle 3

1. Please indicate the Total number of employees –

   (Shore Employees - 749) (Fleet Employees – 1566)
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 09
3. Please indicate the Number of permanent women employees - 159
4. Please indicate the Number of permanent employees with disabilities - 13
5. Do you have an employee association that is recognized by management - YES
6. What percentage of your permanent employees is members of this recognized employee association? –

   The company encourages voluntary participation of its employees.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   - Permanent Employees – 11.22
   - Permanent Women Employees – 9.43
   - Casual/Temporary/Contractual Employees – None
   - Employees with Disabilities – 7.69

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes. The company recognizes the role of its employees, shareholders, customers and suppliers as its stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes. SCI has identified retail shareholders, medium & small scale vendors, retail customers and employees belonging to the weaker sections of the society as disadvantaged & vulnerable stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Yes. SCI follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ST/OBC/PWD (Persons with Disabilities)/Ex servicemen to promote inclusive growth. Efforts are made to promptly dispose of representations/grievances received from SC/ST employees. Employees belonging to PWD category have been assigned jobs which they can perform efficiently keeping in view their disability. A permanent ramp has been erected at the entrance gate of offices for easy mobility of a PWD employee who uses wheel chair.

   In addition, CSR initiatives are undertaken to maximize benefits to the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?.

   The policy covers to the Company and its Joint Venture Companies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Details w.r.t. Stakeholders Grievances received, pending and redressed during the year are as follows:

Sr. No	Particulars	No. of Stakeholder Grievances
1	Complaints pending at beginning of year 01.04.2016	6
2	Complaints received during the year	24
	1st Qtr.	9
	2nd Qtr.	3
	3rd Qtr.	7
	4th Qtr.	5
3	Complaints disposed of during the year	30
4	Complaints remaining unresolved at the end of the year 31.03.2017	0

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The policy on Safety, Occupational Health & Environment Protection covers the company and its Joint Venture companies. Being a member of the UN Global Compact, and a ISO 14001:2004 IMS Certified Company, SCI functions in an environmentally responsible fashion.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   Yes.

   http://www.shipindia.com/profile/un-global-compact.aspx

3. Does the company identify and assess potential environmental risks? Y/N

   Yes. The company has identified potential environment risks from its operations and has initiated steps to minimize those risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes, The company has installed a 353 KW roof top Solar Energy plant at its Maritime Training Centre, Powai (Mumbai). The company has also developed and implemented Shipboard Energy Efficiency Maintenance Plan (SEEMP) & Energy Efficiency Design Index for its ships which are certified for prevention of oil, water & air pollution.

   http://www.shipindia.com/profile/un-global-compact.aspx

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   a. Indian National Ship owner's Association (INSA)
   b. Federation of Indian Chambers of Commerce & Industry (FICCI)
   c. Bombay Chambers of Commerce & Industry
   d. Confederation of Indian Industry (CII)
   e. Baltic & International Maritime Conference (BIMCO)
   f. International Chamber of Shipping
   g. Standing Conference of Public Enterprises (SCOPE)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   The company being an active member of the trade bodies/associations always lobbies for various initiatives in Economic Reforms, Energy, Security etc.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes. The various CSR initiatives taken by SCI are:

   A. Promotion of Preventive Health Care

   Construction of an "Extension hospital building" at Shri Sant Acchyut Maharaj Heart Hospital, Amravati, Maharashtra.

   B. Promotion of Education - Scholarships for Maritime Education

   SCI CSR Scholarships to SC/ST/BPL students pursuing Ocean Engineering/Naval Architecture at premier institutes of the country.

   C. Promotion of National Sports

   Promotion and development of Sports in the country, contribution to National Sports Development Fund (Department of Sports).

   D. Projects under the Swachh Bharat Abhiyan

   Construction of 10 nos. of community toilets at Port Blair in association with Port Blair Municipal Corporation
   Installation of 15 nos. of Eco-Toilets at Govt. schools of Shrawasti district of U.P., in association with Hardicon Ltd.
   Construction of 20 girls toilet at Govt. schools of Punjab, in association with Sarva Shiksha Abhiyan Authority, Punjab
   Construction of 20 toilets at Govt. schools, in association with Rajasthan Council for Elementary Education
   Maintenance of Public toilets around SCI offices in association with NDMC, New Delhi
   Renovation of Public toilets around SCI offices in Mumbai
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The projects have been undertaken by the company with active support & collaboration with government structures/specialized agencies.
3. Have you done any impact assessment of your initiative?

   The company undertakes an Impact Assessment of the CSR interventions to ensure that the resources are gainfully utilized for the welfare of the intended communities.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects under-taken.

   ₹ 319 Lakhs (2016-17)
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The various CSR initiatives are taken with focus on welfare of the economically and socially deprived sections of the society, which are implemented mostly after conducting baseline surveys. It is also our endeavor that a large section of the society is benefited from our initiatives.

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   The percentage of complaints received from various stakeholders pending at the end of financial year is ZERO.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A./ Remarks(additional information)

   The company does not manufacture any product. The company being a service provider displays all its services on its websites.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

   None.

4. Did your company carry out any consumer survey/ consumer satisfaction trend?

   The company as part of its Quality Management System carries out a Customer Satisfaction Survey which is validated by a 3rd party M/s IRQS. The company enjoys over 90% customer satisfaction.

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2017

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 Haldar, 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. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Maharashtra. **Tel:** 022 62638200, **Fax:** 022 62638299 **Email:** investor@bigshareonline.com **Website:** www.bigshareonline.com

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

Sl. 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	26.00%	2(6)
4	**India LNG Transport Co. (No. 4) Ltd.** 171, Old Bakery Street, Valletta,Malta.	NA	Associate	26.00%	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	49.00%	2(6)
6	**SAIL SCI Shipping Pvt. Ltd.** “Shipping House”, 13, Strand Road, Kolkatta – 700 001.	U61100WB2010PTC148428	Associate	50.00%	2(6)
7	**Inland & Coastal Shipping Ltd.** “Shipping House”, 13, Strand Road, Kolkatta – 700 001.	U61100WB2016GOI217822	Subsidiary	100.00%	2(87)

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

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	-	-	-	-	-	-	-	-	-
b) Central Govt.	29,69,42,977	-	29,69,42,977	63.75	296942977	-	29,69,42,977	63.75	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**29,69,42,977**	**-**	**29,69,42,977**	**63.75**	**296942977**	**-**	**29,69,42,977**	**63.75**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**29,69,42,977**	**-**	**29,69,42,977**	**63.75**	**296942977**	**-**	**29,69,42,977**	**63.75**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	22,18,648	2,200	22,20,848	0.48	3,83,682	-	3,83,682	0.08	-0.40
b) Banks/FI	64,18,717	300	64,19,017	1.38	74,25,646	2,200	74,27,846	1.59	0.21
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	7,97,39,447	-	7,97,39,447	17.12	7,97,39,447	-	7,97,39,447	17.12	-
g) FIIs	70,75,145	2,700	70,77,845	1.52	49,79,531	2,700	49,82,231	1.07	-0.45
h) Foreign Portfolio-Corp.	1,18,60,694	-	1,18,60,694	2.55	1,16,21,066		1,16,21,066	2.49	-0.06
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	10,73,12,651	5,200	10,73,17,851	23.04	10,41,49,372	4,900	10,41,54,272	22.36	-0.68

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

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	
2. Non-Institutions									
a) Bodies Corp.	99,07,753	15,051	99,22,804	2.13	1,13,37,239	15,351	1,13,52,590	2.44	0.31
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,64,99,627	32,635	3,65,32,262	7.84	3,74,97,519	31,637	3,75,29,156	8.06	0.22
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,11,70,788	1,60,150	1,13,30,938	2.43	1,24,34,543	1,60,150	1,25,94,693	2.70	0.27
c) Others (specify)									
Non Resident Indians	24,56,530	3,24,250	27,80,780	0.60	25,28,832	3,24,250	28,53,082	0.61	0.01
Overseas Corporate Bodies	5,250	-	5,250	-	5,250	-	5,250	-	-
Foreign Nationals	300	-	300	-	-	-	-	-	-
NBFC	6,01,617	-	6,01,617	0.13	26,109	-	26,109	0.01	-0.12
Trusts	3,64,231	-	3,64,231	0.08	3,40,881	-	3,40,881	0.07	-0.01
Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**6,10,06,096**	**5,32,086**	**6,15,38,182**	**13.21**	**6,41,70,373**	**5,31,388**	**6,47,01,761**	**13.89**	**0.68**
Total Public Shareholding (B) = (B)(1) + (B)(2)	16,83,18,747	5,37,286	16,88,56,033	36.25	16,83,19,745	5,36,288	16,88,56,033	36.25	-
TOTAL (A)+(B)	46,52,61,724	5,37,286	46,57,99,010	100.00	46,52,62,722	5,36,288	46,57,99,010	100.00	-
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Sub-total (C):-	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**46,52,61,724**	**5,37,286**	**46,57,99,010**	**100.00**	**46,28,96,392**	**29,02,618**	**46,57,99,010**	**100.00**	**-**

ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2016)			Shareholding at the end of the year (as on 31.03.2017)			% 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	296942977	63.75	0.00	296942977	63.75	0.00	0.00
	Total	**296942977**	**63.75**	**0.00**	**296942977**	**63.75**	**0.00**	

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

(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 (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/ end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	37521052	8.06	01/04/2016	0	Nil movement during the year		
		37521052	8.06	31/03/2017			37521052	8.06
2.	Life Insurance Corporation Of India P & Gs Fund	10556843	2.27	01/04/2016	0	Nil movement during the year		
		10556843	2.27	31/03/2017			10556843	2.27
3.	LIC of India Market Plus 1 Growth Fund	9447019	2.03	01/04/2016	0	Nil movement during the year		
		9447019	2.03	31/03/2017			9447019	2.03
4.	General Insurance Corporation Of India	5246302	1.13	01/04/2016	0	Nil movement during the year		
		5246302	1.13	31/03/2017			5246302	1.13
5.	The New India Assurance Company Limited	4958095	1.06	01/04/2016	0	Nil movement during the year		
		4958095	1.06	31/03/2017			4958095	1.06
6.	Ashish Rameshkumar Goenka	3193282	0.69	01/04/2016	0	Nil movement during the year		
		3193282	0.69	31/03/2017			3193282	0.69
7.	DIMENSIONAL EMERGING MARKETS VALUE FUND	3175226	0.68	01/04/2016				
				08/07/2016	33349	Sell	3141877	0.67
				15/07/2016	139722	Sell	3002155	0.64
				22/07/2016	38581	Sell	2963574	0.64
				04/11/2016	71026	Sell	2892548	0.62
				02/12/2016	24751	Sell	2867797	0.62
				09/12/2016	30463	Sell	2837334	0.61
				16/12/2016	123721	Sell	2713613	0.58
				23/12/2016	135609	Sell	2578004	0.55
				06/01/2017	20117	Sell	2557887	0.55
				24/03/2017	67226	Sell	2490661	0.53
				31/03/2017	21376	Sell	2469285	0.53
		2469285	0.53	31/03/2017			2469285	0.53
8.	LIC OF INDIA - ULIF004200910LICEND + GRW512	3000000	0.64	01/04/2016	0	Nil Movement during the year		
		3000000	0.64	31/03/2017			3000000	0.64
9.	LIC OF INDIA PROFIT PLUS GROWTH FUND	2698747	0.58	01/04/2016	0	Nil Movement during the year		
		2698747	0.58	31/03/2017			2698747	0.58
10.	LIC OF INDIA WEALTH PLUS FUND	2278015	0.49	01/04/2016	0	Nil Movement during the year		
		2278015	0.49	31/03/2017			2278015	0.49

(v) Shareholding of Directors & KMP:

Sr. No.	For Each of the Directors & KMP	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.	Capt. Anoop Kumar Sharma	0	0.00	0	0.00	0	0.00
2.	Capt. Bipin Bihari Sinha	0	0.00	0	0.00	0	0.00
3.	Capt. Sarveen Narula	0	0.00	0	0.00	0	0.00
4.	H.K.Joshi	0	0.00	0	0.00	0	0.00
5.	S.V.Kher	0	0.00	0	0.00	0	0.00
6.	Dipankar Haldar	0	0.00	0	0.00	0	0.00

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

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

(₹ in lakhs)

		Secured Loans excluding deposits *	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	5,84,476.00	-	-	5,84,476.00
ii)	Interest due but not paid	-			-
iii)	Interest accrued but not due	3,032.59	-	-	3,032.59
	Total (i + ii + iii)	**5,87,508.59**	**-**	**-**	**5,87,508.59**
	Change in Indebtedness during the financial year				
	Addition	-	-	-	-
	Reduction**	1,32,427.29	-	-	1,32,427.29
	Net Change	**1,32,427.29**	**-**	**-**	**1,32,427.29**
	Indebtedness at the end of the financial year				
i)	Principal Amount	4,51,809.00	-	-	4,51,809.00
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	3,272.30	-	-	3,272.30
	Total (i + ii + iii)	**4,55,081.30**	**-**	**-**	**4,55,081.30**

* The Secured Loans includes current maturities on Long term Loans which are included under Financial Other 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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Anoop Kumar Sharma*	Bipin Bihari Sinha	Sarveen Narula	Devadas Kelath**	Harjeet Kaur Joshi	Shrikant Kher	
1	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,506,232	3,428,636	2,739,291	4,541,856	2,699,403	3,052,134	**17,967,552**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	48,731	1,619,978	1,463,313	1,528,076	305,301	1,231,953	**6,197,352**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commision							-
	as % of Profit	-	-	-	-	-	-	-
	others (specify)	-	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-	-
	Total (A)	**1,554,963**	**5,048,614**	**4,202,604**	**6,069,931**	**3,004,704**	**4,284,087**	**24,164,904**
	Ceiling as per the Act	-	-	-	-	-	-	-

* Capt. Anoop Kumar Sharma has been holding the post of Chairman and Managing Director w.e.f. 12.09.2016.

** Shri Devadas Kelath superannuated on 28.02.2017

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name		Total Amount
		Arun Balakrishnan	Sukamal Chandra Basu	
1	Independent Directors	N.A.	N.A.	
	(a) Fee for attending board committee meetings	5,20,000	5,00,000	10,20,000
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (1)	5,20,000	5,00,000	10,20,000
2	Other Non Executive Directors	N.A.	N.A.	
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify.	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**5,20,000**	**5,00,000**	**10,20,000**
	Total Managerial Remuneration (A) + (B)	**0**	**0**	**2,51,84,904**
	Overall Ceiling as per the Act.	**-**	**-**	**-**

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ Wtd

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO*	CFO**	Company Secretary	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,506,232	2,699,403	2,461,959	6,667,594
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	48,731	305,301	1,412,425	1,766,457
	(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	**1,554,963**	**3,004,704**	**3,874,384**	**8,434,051**

* Capt. Anoop Kumar Sharma is holding the position of CEO for which he doesnot receive any separate remuneration. The above mentioned components of his remuneration are the same as declared under Para VI(A) above.

**Smt H. K. Joshi is holding the position of CFO for which she does not receive any separate remuneration. The above mentioned 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, 2017.

FORM AOC-1 STATEMENT PURSUANT TO ASSOCIATE COMPANIES & JOINT VENTURES

FORM AOC-I

Statment pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

(₹ in lakhs)

Sl. No.	Particulars	Details
1.	**Name of the subsidiary**	Inland & Coastal Shipping Limited*
2.	**Financial Year ending on**	31.03.2017
3.	**Reporting Currency**	INR
4.	**Share capital**	5
5.	**Reserves & surplus**	-9
6.	**Total assets**	5
7.	**Total Liabilities**	9
8.	**Investments**	0
9.	**Turnover**	0
10.	**Profit before taxation**	-9
11.	**Provision for taxation**	0
12.	**Profit after taxation**	-9
13.	**Proposed Dividend**	0
14.	**% of shareholding**	100

*"Inland and Coastal Shipping Limited" (ICSL) is wholly owned subsidiary company incorporated in India on 29th September 2016. ICSL is yet to commence commercial operations.

*For the purpose of consolidation profit/loss for ICSL has been taken from the Unaudited financial statements for the year ending 31st March 2017.

PART "B" : Associate Companies and Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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	31.12.2016	31.12.2016	31.12.2016	31.12.2015	19.03.2016	31.03.2016
2.Date on which the Associate or Joint Venture was associated or acquired	21.05.2001	21.05.2001	05.12.2006	13.11.2013	20.03.1975	02.08.2010
3. Shares of Associate/Joint Ventures held by the company at year end						
No.	2908	2908	2600	11036558**	46060000	100000
Amount of Investment in Associates/ Joint Venture (₹ in lakhs)	3	3	1	7352**	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	NA	NA	NA	NA	IHSC is an investment held for sale	SAIL SCI is an investment held for sale
6. Networth attributable to shareholding as per latest audited Balance Sheet (₹ in lakhs)	4,491	4,636	-5,591	-427	-4,334	7

FORM AOC-1 STATEMENT PURSUANT TO ASSOCIATE COMPANIES & 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.
7. **Profit / Loss for the year** (₹ in lakhs)						
i. Considered in consolidation	2,010	2,182	193	-134*	NA	NA
ii.Not considered in consolidation	NA	NA	NA	NA	-4,997	0

*For the purpose of consolidation profit/loss for India LNG Transport Co. (No. 4) Ltd. has been taken from the Unaudited financial statements for the year ending 31st December 2016

**Figures are as on 31st March 2017.

The above Joint Ventures are audited by the auditors other than statutory auditors of the Company.

As per our report of even date attached hereto.

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

CA Sanjeev Maheshwari
Partner
Membership No. 38755

For G. D. APTE & Co.
Chartered Accountants
FR. No. 100515W

CA Chetan R. Sapre
Partner
Membership No. 116952

Mumbai, Dated the 27th May, 2017

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Co. Sec.)

Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 27th May, 2017

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, 2017 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, 2017 are as follows:

Name of the related party	Nature of relationship	Duration of contracts/ arrange-ments/ transactions (yr)	Salient terms of the contract or arrangements	Nature of Transactions	Material Tr-nasactions (in INR lacs)	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	Management & Accounting fee	446	12.12.2008	No advances
				Interest on SHL*	463	06.05.2001	
				SHL provided/ (repaid by JV)	(815)		
				TOTAL	**95**		
ILT No. 2 Ltd.	Joint Venture Company	till 2028	Based on transfer pricing guidelines	Management & Accounting fee	446	12.12.2008	No advances
				Interest on SHL*	436	06.05.2001	
				SHL provided/ (repaid by JV)	(767)		
				TOTAL	**114**		
ILT No. 3 Ltd.	Joint Venture Company	till 2034	Based on transfer pricing guidelines	Management & Accounting fee	469	24.09.2012	No advances
				Interest on SHL*	1,149	24.09.2012	
				SHL provided/ (repaid by JV)	(186)		
				TOTAL	**1,432**		
ILT No. 4 Pvt. Ltd.	Joint Venture Company	till 2035	Based on transfer pricing guidelines	Management & Accounting fee	115	28.03.2014	No advances
				Interest on SHL*	39	13.11.2013	
				SHL provided/ (repaid by JV)	46		
				TOTAL	**200**		

* SHL- Shareholders' Loan provided by SCI to Joint Ventures

For and on behalf of the Board of Directors

Mumbai

Date : 30.06.2017

Capt. Anoop Kumar Sharma,

Chairman & Managing Director

FORM MR-3 SECRETARIAL AUDIT FOR YEAR ENDED 31ST MARCH, 2017

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[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,

Shipping House,

Madame Cama Road, Nariman Point,

Mumbai 400 021.

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

Based on my verification of the Corporation's books, papers, minute books, forms and returns filed and other records maintained by the Corporation and also the information provided by the Corporation, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Corporation has during the audit period covering the financial year ended on 31st March, 2017 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, 2017 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, 2015.

(vi) The following Acts / Guidelines specifically applicable to the Company:

  (a) Merchant Shipping Act, 1958

  (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; and

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

FORM MR-3 SECRETARIAL AUDIT FOR YEAR ENDED 31ST MARCH, 2016

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 Regulation 17 of the 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.*

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 Regulation 17 of the 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 exits 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 obtained shareholders' approval under Section 27 of the Companies Act, 2013 for redeployment of ₹330 crores received as refund from ship yards, which was the part of the proceeds of the further public offer. The approval was obtained by way of special resolution passed by postal ballot. Except this, there was 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.

(U.C. SHUKLA)
Place: Mumbai **COMPANY SECRETARY**
Date: 03/08/2017 **FCS: 2727/CP: 1654**

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

FORM MR-3 SECRETARIAL AUDIT FOR YEAR ENDED 31ST MARCH, 2017

ANNEXURE A

To,

The Members

The Shipping Corporation of India Ltd.,

Shipping House

Madame Cama Road, Nariman Point,

Mumbai 400 021.

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

(U.C. SHUKLA)

Place: Mumbai **COMPANY SECRETARY**

Date: 03/08/2017 **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 endeavor in this respect has been acknowledged and appreciated year after year. This year too, SCI will strive to meet the expectations of various stakeholders. SCI apart from complying with the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as 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 7 members with a mix of 4 executive (including Chairman & Managing Director) and 1 non-executive Directors (Government Directors who represent the promoters i.e. Government of India) and 2 Non Official Part Time Directors (Independent Directors). As the composition of Board is not compliant with the requirements of regulation 17(1) of SEBI (LODR)Regulations,2015, the Company is in regular communication with the Ministry of Shipping for filling up of the vacant positions of Independent Directors.

Capt. Anoop Kumar Sharma was appointed as the Chairman and Managing Director w.e.f 12.09.2016 and Capt. B.B.Sinha, Director (P&A) was relieved from the additional charge of Chairman and Managing Director from the said date.

Capt. K Devadas, Director (Technical & Off Shore Services) and Capt. Sarveen Narula, Director (Liner & Passenger Services) ceased to be Directors on the Board of SCI due to superannuation on 28.02.2017 and 31.07.2017 respectively. Capt. Anoop Kumar Sharma has been assigned additional charge of the posts of Director (Technical & Off Shore Services) and Director (Liner & Passenger Services) w.e.f. 01.03.2017 and 01.08.2017 respectively.

Shri Sanjeev Ranjan, Additional Secretary and Financial Advisor (Ministry of Shipping) and Shri Barun Mitra, Joint Secretary & Financial Advisor (Ministry of Shipping) ceased to be Directors on Board of SCI with effect from 13.01.2017 and 02.03.2017, respectively.

Shri Pravir Krishn, Joint Secretary (Shipping) and Shri Pradeep Kumar, Additional Secretary & Financial Advisor (Shipping) who were appointed as Part time Official Directors on the board of SCI on 03.03.2017 and 29.05.2017, respectively, ceased to be so on 25.07.2017 and 27.07.2017 respectively, consequent to their transfer from the Offices they held in the Ministry of Shipping. Subsequently, Smt Leena Nandan, Additional Secretary & Financial Advisor (Shipping), was appointed as Part time Official Directors on the board of SCI on 03.08.2017.

Capt B. B. Sinha, D(P&A) opted for voluntary retirement w.e.f. 12.08.2017. Additional charge for the post of D(P&A) has been granted to Smt H. K. Joshi, D(F).

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 2017 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. Anoop Kumar Sharma	Chairman & Managing Director and Director (Technical & Off-Shore Services)	NIL	NIL	NIL
Capt. B.B. Sinha	Director (Personnel and Administration)	NIL	NIL	NIL
Capt. S. Narula	Director (Liner & Passenger Services)	02	NIL	NIL
Smt. H.K. Joshi	Director (Finance) & CFO	01	NIL	NIL

Name	Designation	No. of Directorships and committee memberships / chairmanships		
		Directorships in other public limited companies**	Committee memberships **	Committee chairmanships **
Shri S.V. Kher	Director (Bulk Carrier and Tanker)	NIL	NIL	NIL
Non-Executive Directors (Part-Time Ex-Officio)				
Shri Pravir Krishn	Joint Secretary (Shipping)	02	NIL	NIL
Non-Executive Directors (Part-Time Independent)				
Shri Arun Balakrishnan	Independent Director	06	02	03
Shri Sukamal Chandra Basu	Independent Director	01	01	NIL

**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 section 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 2016-2017, 7 Board Meetings were held, the dates being 26.05.2016, 20.06.2016, 27.07.2016, 18.08.2016, 16.11.2016, 17.01.2017 and 09.02.2017. The details about attendance of the Directors at the Board Meetings and at the 66th Annual General Meeting (AGM) held on 26.09.2016 are given below:

Name of the Director	No. of Meetings		Attendance at the last AGM held on 26.09.2016
	held during the tenure of Directors	attended	
Capt Anoop Kumar Sharma*	3	3	Yes
Shri Pravir Krishn*	0	0	NA
Shri Sanjeev Ranjan*	6	5	No
Shri Barun Mitra*	7	6	No
Capt. B. B. Sinha	7	7	Yes
Capt.S.Narula	7	7	Yes
Capt. K.Devadas*	7	7	Yes
Smt. H.K.Joshi	7	7	Yes
Shri S.V.Kher	7	7	Yes
Shri Arun Balakrishnan	7	7	Yes
Shri Sukamal Chandra Basu	7	6	Yes

* *The changes taken place in the constitution of the Board of Directors of SCI during the FY 2016-17 are as follows:-

Name of the Director	Date of Appointment	Date of Cessation	Reason for cessation
Capt. Anoop Kumar Sharma**	12.09.2016	-	-
Capt. K Devadas	-	28.02.2017	Superannuation
Shri Sanjeev Ranjan #	-	13.01.2017	Nomination withdrawn by the Ministry of Shipping
Shri Pravir Krishn	03.03.2017	-	-
Shri Barun Mitra	-	03.03.2017	Nomination withdrawn by the Ministry of Shipping

** Capt Anoop Kumar Sharma is holding additional Charge of the post of Director (Technical & OffShore Services) from 01.03.2017.

#Shri Sanjeev Ranjan ceased to be Additional Secretary & Financial Advisor (Ministry of Shipping) on 13.01.2017. The intimation regarding his cessation from the Board of SCI w.e.f. the said date was received on 31.01.2017.

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

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 (LODR) Regulations, 2015.

Audit Committee

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. Subsequent to the cessation of directorship of Capt.K.Devadas from the Board of SCI, Capt. Sarveen Narula was appointed as the member of audit committee. 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.

Audit committee meetings were held on 26.05.2016, 20.06.2016, 28.06.2016, 27.07.2016, 18.08.2016, 16.11.2016, 09.02.2017 & 17.03.2017 during the financial year 2016-2017. The minutes of the meetings of Audit committee have been placed before the Board from time to time.

Name of the Director	No. of Meetings	
	Held during the tenure of Directors	Attended
Capt.S.Narula	1	1
Capt. K.Devadas	7	7
Shri Arun Balakrishnan	8	8
Shri Sukamal Chandra Basu	8	7

Nomination and Remuneration Committee

During FY 2016-17 the Board re-constituted the Nomination and Remuneration Committee on 26.05.2016 with Shri Sukamal Chandra Basu as Chairman and Shri Arun Balakrishnan & Shri Barun Mitra as members. Subsequent to the cessation of directorship of Shri Barun Mitra from the Board of SCI, Shri Pravir Krishn was appointed as the member of Nomination and Remuneration Committee. 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 part D of Schedule II of SEBI (LODR) Regulations, 2015.

Nomination and Remuneration Committee meetings were held on 16.11.2016 & 16.03.2017 during the financial year 2016-2017.

Name of the Director	No. of Meetings	
	Held during the tenure of Directors	Attended
Shri Barun Mitra	1	1
Shri Pravir Krishn	0	0
Shri Arun Balakrishnan	2	2
Shri Sukamal Chandra Basu	2	2

Corporate Social Responsibility Committee

On the 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, Capt. Anoop Kumar Sharma as Chairman of the Committee, Shri Sukamal Chandra Basu and Capt.S.Narula as members. Shri Sukamal Chandra Basu is an Independent Director. The committee meeting was held on 17.01.2017 in financial year 2016-2017.

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 two times during the year 2016-17 on 14.09.2016 and 09.02.2017.

Stakeholders' Relationship Committee

On the 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, 3 complaints were received. Two of the complaints have been replied / sorted out within stipulated time of 15 days as per SEBI norms. However, one complaint redressal is under process. 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	00	00	NIL
Stock Exchanges	02	02	NIL
Other	02	01	01
Total	04	03	01

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"	Tel:	2277 2213
245, Madame Cama Road		2202 4572
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. Further, shares on which dividend has been unpaid or unclaimed for a period of seven consecutive years or more, is required to be transferred to IEPF. 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
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 2008-09 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
64th AGM (FY 2013-14)	24.09.2014 15.30 hrs.	Registered Office of the Company, Mumbai	NO
65th AGM (FY 2014-15)	22.09.2015 15.30 hrs		
66th AGM (FY 2015-16)	26.09.2016 15.30 hrs		

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Details of resolution passed by way of Postal Ballots during FY 2016-17:

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, in partial modification of the resolution passed by the members and shareholders of the Company on 14th January 2015 through postal ballot and pursuant to the provisions of section 27 and all other applicable provisions of the Companies Act, 2013 and other applicable laws, rules, regulations, guidelines and other statutory provisions for the time being in force, approval of the members of the Company be and is hereby accorded and the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any committee authorised to exercise its powers including the powers conferred by this resolution), be and is hereby authorised by the Company to further partially vary the objects of the issue and the terms referred to in the Prospectus dated 8 December 2010, filed by the Company with the Registrar of the Companies, Maharashtra, Mumbai and other authorities (the "Prospectus") and/or to vary and / or revise the utilisation of the proceeds from the Further Public Offering ("FPO") of Equity Shares made in pursuance of the said Prospectus and to utilise the proceeds from the FPO for the purposes of acquiring any number of offshore assets including, but not limited to, anchor handling tug supply vessels (AHTSVs), platform supply vessels (PSVs), rigs, etc and liquefied petroleum gas (LPG) vessels and acquisition on a sole ownership or joint ownership basis or acquisition of any such other vessels as the Board may from time to time deem appropriate, as the case may be with varying debt equity ratio during such period of time and in such manner as the Board deems fit which shall include utilization of the proceeds towards payment of balance purchase consideration, if any of any vessels already acquired by the Company or previously decided to be acquired by the Company. ''

''RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and shareholders or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

''RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any other officer(s) / authorised representative(s) of the Company to give effect to the aforesaid resolution."

Unquote

Shri Upendra Shukla, Practising Company Secretary was appointed as scrutinizer. The announcement of result of the Postal Ballot took place on 17.02.2017 when the Resolution was declared as passed on 11.02.2017 with requisite majority. The details of voting are as follows:-

Particulars	In Favour of the Resolution			Against the Resolution		
	No. of Responses received	No. of votes cast	% of votes cast	No. of Responses received	No. of votes cast	% of votes cast
Ballot	630	297097176	100	33	5856	0
E-voting	176	80774272		10	1200	
Combined	806	377871448		43	7056	

Means of Communication

Half-yearly Report sent to each household of shareholders	No, as the unaudited financial results of the Company are published in the newspapers every quarter and are also made available on the Company's website.
Quarterly Results published in newspapers	Yes, the newspapers being: a. Financial Express – Mumbai, Ahmedabad, Delhi, Kolkata, Hyderabad, Chennai, Bangalore, Pune, Chandigarh, Lucknow, Kochi b. Jansatta – Kolkata, Chandigarh, Delhi, Lucknow c. Loksatta – Mumbai
Website, where results and/or official news are displayed	On the Company's Website www.shipindia.com
The presentation made to Institutional Investors or to the Analysts	NO
Whether Management Discussion and Analysis is a part of Annual Report or not	Yes

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

General Shareholder Information

Annual General Meeting – Date, Time & Venue	26.09.2017 at 1530 hrs. at the Registered Office of the Company, "Shipping House", 245, Madame Cama Road, Mumbai – 400 021.
Financial Year	01.04.2016 to 31.03.2017
Date of Book Closure	22.09.2017 to 26.09.2017
Proposed Dividend	The Board of Directors has not recommended dividend for this financial year.
Listing on Stock Exchanges	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai – 400 051.
	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata – 700 001.
Payment of Listing Fees	The Company has paid the annual listing fees for the year 2016 -2017 to the aforesaid Stock Exchanges within the stipulated time.
Stock Code	Bombay Stock Exchange Ltd.– 523598 National Stock Exchange of India Limited – SCI Demat-ISIN Number – INE 109 A 01011
Address for Correspondence/ Registrar and Transfer Agents	Shareholders' correspondences should be addressed to the Company's Share Transfer Agents, M/s. Bigshare Services Pvt. Ltd. at their addresses mentioned below: **M/s. Bigshare Services Pvt. Ltd.** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra. **Tel.:** 022 62638200 **Fax:** 022 62638299 **E-mail:** investor@bigshareonline.com **Website:** www.bigshareonline.com
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 31.03.2017.
Dematerialization of shares and liquidity	With effect from 26.06.2000, trading in the Company's shares was made compulsory in the dematerialized form. The Company's shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31.03.2017, 99.88 % of the paid-up equity share capital, representing 46,52,62,722 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. SCI has a natural hedge as 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's Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies. The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.
Your Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments	
Your Company has no Plant	

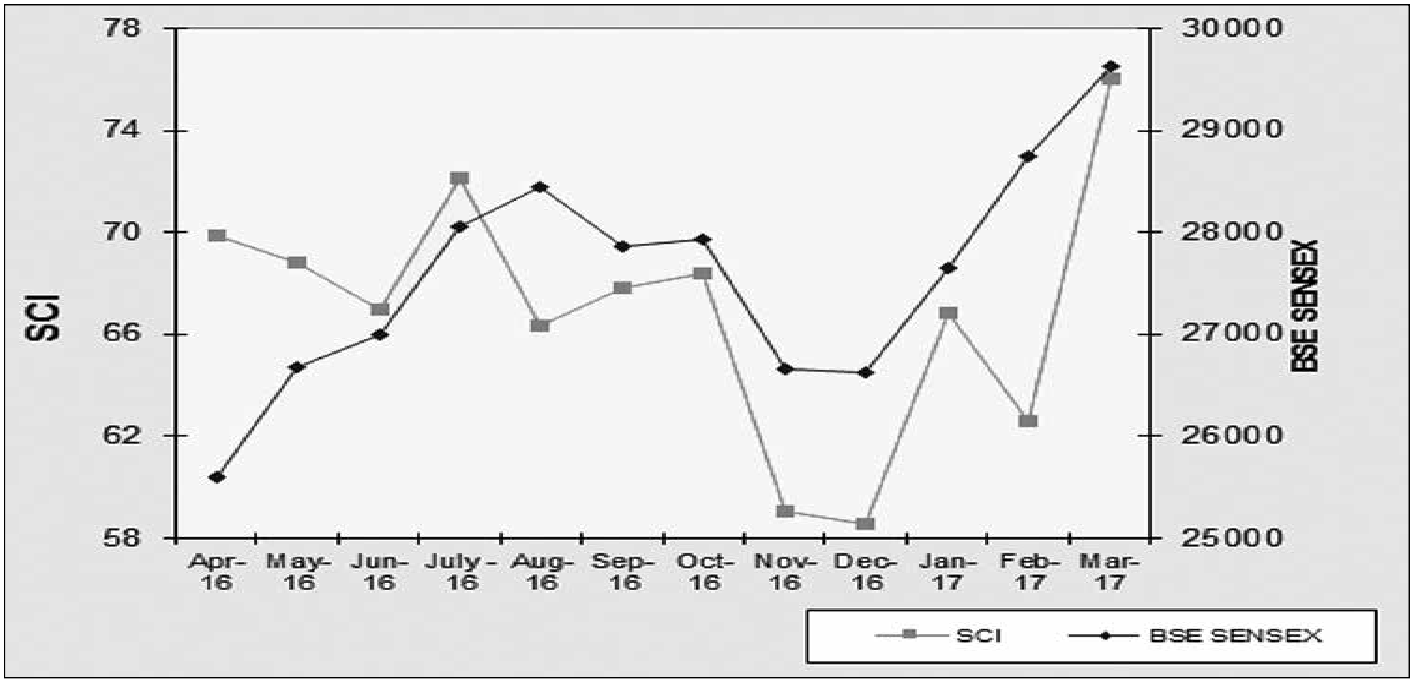
Monthly high and low quotation of shares on the BSE and NSE during the financial year 2016-2017.

Month	Share Price on BSE		Share Price on NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	75.40	64.55	75.35	64.60
May 2016	77.50	65.60	77.60	65.50
June 2016	70.65	61.80	70.50	61.70
July 2016	76.00	67.00	75.90	67.10
August 2016	77.50	66.10	77.50	66.00
September 2016	74.40	64.75	74.50	64.60
October 2016	71.60	66.65	71.75	66.60
November 2016	71.65	55.75	71.70	55.50
December 2016	64.05	56.30	63.90	56.25
January 2017	70.45	58.20	70.60	58.15
February 2017	70.75	62.10	70.90	62.00
March 2017	77.50	61.70	77.85	61.80

Stock Performance in comparison to BSE Sensex

Month	SCI's Closing Price (₹)	BSE Sensex
April 2016	69.90	25,606.62
May 2016	68.80	26,667.96
June 2016	66.95	26,999.72
July 2016	72.10	28,051.86
August 2016	66.35	28,452.17
September 2016	67.80	27,865.96
October 2016	68.40	27,930.21
November 2016	59.05	26,652.81
December 2016	58.55	26,626.46
January 2017	66.80	27,655.96
February 2017	62.60	28,743.32
March 2017	76.00	29,620.50

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

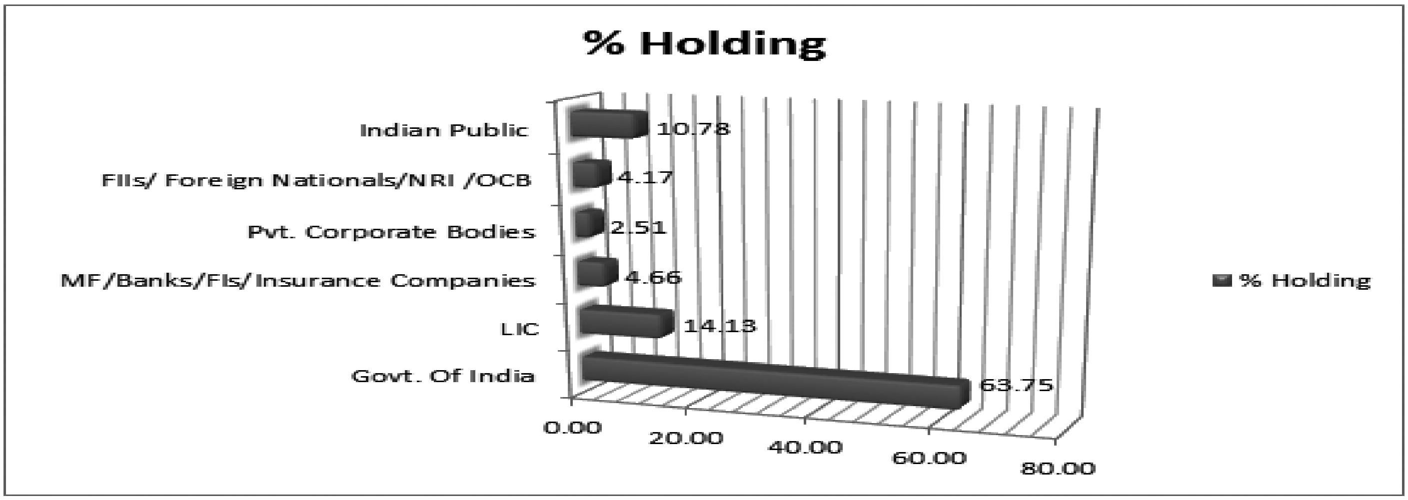


REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2017

CATEGORY	DEMAT		PHYSICAL		TOTAL		%TO (A)	
	FOLIOS	SHARES	FOLIOS	SHARES	FOLIO	SHARES	FOLIOS	SHARES
1 - 500	1,41,919	1,84,75,898	126	20,638	1,42,045	1,84,96,536	86.90	3.85
501 - 1000	6,899	54,36,159	8	6,700	6,907	54,42,859	5.52	1.25
1001 - 2000	3,333	49,76,932	1	1,200	3,334	49,78,132	0.69	0.22
2001 - 3000	1,124	28,75,706	2	4,900	1,126	28,80,606	1.38	0.91
3001 - 4000	475	17,07,244	-	-	475	17,07,244	-	-
4001 - 5000	430	20,27,299	-	-	430	20,27,299	-	-
5001 - 10000	652	48,04,217	1	6,000	653	48,10,217	0.69	1.12
10000 &above	640	42,49,59,267	7	4,96,850	647	42,54,56,117	4.83	92.65
TOTAL	**1,55,472**	**46,52,62,722**	**145**	**5,36,288**	**1,55,617**	**46,57,99,010(A)**	**100.00**	**100.00**

Distribution of Shareholding by percentage of ownership as on 31st March 2017



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 :-

(Amount in ₹)

Name of the Director	Consolidated Salary	Perquisites, Allowances and other benefits	Performance Linked Incentives	Sitting Fees	Total
Capt.Anoop Kumar Sharma*	13,17,273	3,49,729	-	-	16,67,002
Capt.Bipin Bihari Sinha	33,42,833	20,42,240	-	-	53,85,073
Capt.Sarveen Narula	26,73,846	18,38,270	-	-	45,12,116
Capt.Devadas Kelath**	46,10,324	17,31,465	-	-	63,41,788
Smt.Harjeet Kaur Joshi	25,71,320	6,61,434	-	-	32,32,755
Shri. Shrikant Kher	22,18,091	19,87,650	4,25,746	-	46,31,487
Shri.Arun Balakrishnan	-	-	-	5,20,000	5,20,000
Shri.Sukamal Chandra Basu	-	-	-	5,00,000	5,00,000
TOTAL	**1,67,33,687**	**86,10,788**	**4,25,746**	**10,20,000**	**2,67,90,221**

* Capt. Anoop Kumar Sharma has been holding the post of Chairman and Managing Director w.e.f. 12.09.2016
** Capt.Devadas Kelath superannuated on 28.02.2017

Subsidiary Companies

The Inland and Coastal Shipping Limited is the wholly owned subsidiary of your company which was incorporated on 29.09.2016. The said subsidiary is yet to start with operations.

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.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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 www.shipindia.com → Investors → Policies.

Related Party Transactions

Particulars of contracts/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 29 under 'Notes to Financial statements'.

Accounting Treatment

In preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind AS) laid down by the Ministry of Corporate Affairs 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 floated 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. 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 payments for two projects. The investment in the rescinded contracts out of the FPO Proceeds was ₹ 330.65 crores.

Your Company has received back entire sum of ₹ 330.65 crores from the shipyards. The shareholders vide the resolution passed through postal ballot on 11.02.2017 approved the proposal to re-deploy the said sum of ₹ 330.65 crores received as refund from Shipyards, towards various shipbuilding projects including offshore assets and liquid petroleum gas (LPG) vessels and also for acquisition of the any other such vessels, on such terms and conditions as the Board would deem fit from time to time as mentioned in the approval of the postal ballot. Further based on the approval granted by the shareholders, the Company can also utilize the sum towards the balance payments remaining due for the tonnage acquisition made by it.

Out of the said amount of ₹ 330.65 crores, an amount of ₹ 125.82 crores has been utilised till date as under –

Month & Year	₹ Crs.	Utilised for
November 2016	34.37	Equity portion of PSV – SCI Sabarmati
April 2017	63.82	Equity portion of Suezmax Tanker – Desh Abhiman
July 2017	27.63	Equity portion of PSV – SCI Saraswati
Total Utilised till date	125.82	

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 Regulation17 (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 within the time limits prescribed under the SEBI (LODR) Regulations, 2015.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Modified Opinions in Audit Report

There are no qualifications made by Statutory Auditors in their audit report for the year ended 31.03.2017.

Reply to comment of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 is incorporated in the Directors' Report.

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 SEBI (LODR)Regulations,2015 in addition to this SCI's whistle blower policy majors as per Central Vigilance Commission (CVC) guidelines. The policy is available at the company's website under "Profile" section. During the year under review, no personnel was denied access to the Audit Committee, in respect of Alleged Misconduct under the said Policy.

Disclosures under SEBI(LODR) performance evaluation criteria for independent directors

Based on the SEBI Guidance note dt 05.01.2017, a policy on Board Performance Evaluation was formulated. Evaluation of performance of the Board as a whole, Individual directors and Committees of the Board was carried out based on the said policy for FY 2016-17.

Additional Disclosures as required under the Guidelines laid down by DPE

1. To the best of our knowledge and from the data gathered from all the departments transactions with all related parties have been entered at arm's length.
2. There were no Presidential Directives received by the Company.
3. To the best of our knowledge there is no item of expenditure debited in 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 6.70% in FY 2016-17as against 7.13% in FY 2015-16 (Restated as per IND AS). The finance expenses as a percentage of total expenses is 5.04% in FY 2016-17 as against 5.02% in FY 2015-16(Restated as per IND AS).

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 24.08.2017

Capt. Anoop Kumar Sharma,
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 2016-17 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 : 24.08.2017

Capt. Anoop Kumar Sharma,
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 (hereinafter referred as 'the Company'), for the year ended 31 March, 2017 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") and as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.

We state that compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our examination was 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.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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 regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI Listing Regulations 2015 and with the guideline of corporate governance for Public Sector Enterprises, Government of India subject to the following:

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.

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.

This certificate is issued solely for the purpose of complying with Listing Regulations and may not be suitable for any other purpose.

For GMJ & Co.
Chartered Accountants
FRN. 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755
Place: Mumbai

For G. D. Apte & Co
Chartered Accountants
FRN. 100515W

CA Chetan. R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai

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, MUMBAI FOR THE YEAR ENDED 31 MARCH 2017

The preparation of Financial Statements of the Shipping Corporation of India Limited for the year ended 31 March 2017 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 the 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 May 2017.

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 2017. 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. Based on my Supplementary Audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary, for enabling a better understanding of the Financial Statements and the related Audit Report.

Standalone Balance Sheet

Trade Receivables – Rs. 658.71 crore [Note 7(f)]

This includes Rs. 6.05 crore being unbooked offhires and short paid service tax in respect of eight vessels deployed between March 2014 and March 2017 based on Charter Party agreements entered into with M/s. Poompuhar Shipping Corporation Limited. Since the offhire details were available with the Company, the Company should have made provision for doubtful debts. This has resulted in overstatement of Trade Receivables and profit by Rs.6.05 crore.

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: 14 August 2017

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, MUMBAI FOR THE YEAR ENDED 31 MARCH 2017

The preparation of Consolidated Financial Statements of the Shipping Corporation of India Limited for the year ended 31 March 2017 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 the 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 May 2017.

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 2017. 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 Inland and Coastal Shipping Limited, 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.

Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

Consolidated Balance Sheet

Trade Receivables – Rs. 658.71 crore [Note 7(f)]

This includes Rs. 6.05 crore being unbooked offhires and short paid service tax in respect of eight vessels deployed between March 2014 and March 2017 based on Charter Party agreements entered into with M/s. Poompuhar Shipping Corporation Limited. Since the offhire details were available with the Company, the Company should have made provision for doubtful debts. This has resulted in overstatement of Trade Receivables and profit by Rs. 6.05 crore.

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: 14 August 2017

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 31st, 2017, the Statement of Profit and Loss and the Cash Flow Statement and the Statement of Changes in Equity 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 the disclosures in the Financial Statements. The procedures selected depend on the auditors' 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 auditors' considered 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's 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. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. Emphasis of Matter

We draw attention to the following:

i) Trade Receivables and 'Agents balances' are subject to the balance confirmations, Subsequent reconciliation and consequential adjustments, if any, as on 31st March, 2017.

ii) The direct access of certain overseas foreign agents to funds, collected on account of freight and other charges, without adequate security and regular monitoring mechanism is prone to risk of non /short-payment.

Our Opinion is not qualified in respect of these matters.

6. Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening Balance Sheet as at 1st April 2015 included in these Standalone Financial Statements, are based on the previously issued statutory Financial Statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the Previous Joint Auditors, whose report for the year ended 31st March 2016 and 31st March 2015 dated 26th May, 2016 and 21st May, 2015 respectively expressed a qualified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not qualified in respect of these matters.

7. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **"Annexure A"**, 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 the Government Company, we give in the **"Annexure B"** a statement on the matters specified in the directions and sub –directions issued by Office of the Comptroller and Auditor General of India.

II As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016;

(e) As per Notification No. G.S.R. 463 (E) dated June 5th, 2015 issued by Ministry of Corporate Affairs, Section 164 (2) as regards the 'Disqualifications of Directors' is not applicable to the Company, since it is a Government Company;

(f) 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 Standalone Report in **"Annexure C"** to this Report;

(g) With respect to the other matters to be included in the Auditors' 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 the pending litigations on its financial position in its Financial Statements **(Refer Note 27 of the Financial Statements)**.

ii. The Company does not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from November 8th, 2016 to December 30th, 2016 **(Refer note no-38 to the Financial Statements)**. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 27th May, 2017

For G. D. Apte & Co.
Chartered Accountants
FRN: 100515W

CA Chetan. R. Sapre
Partner
ICAI Membership No. 116952

Place: Mumbai
Date: 27th May, 2017

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

"Annexure A" to Independent Auditors' Report

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company on the Financial statements for the year ended 31st March, 2017)

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) As per the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of company and nature of its business.

c) According to the information and explanations given to us and on the basis of our examination of records of the company;

For Immovable property as mentioned in **Table No.1**, the transfer of title deed in the company's name is pending subsequent to the merger of Moguline Limited with the company and the title deed are in the name of the Previous Owner.

For Immovable properties as mentioned in **Table No. 2**, original title deeds are not made available to us for the purpose of verification.

Except as mentioned in the **Table 1 and 2** the title deeds for all other immovable properties are held in the name of the Company.

Table No. 1 **Amount ₹ in lakhs**

Apartment Name	NO OF FLATS	Gross Block	Net Block as on 31.03.2017
GONDAVALI APTS	10	9.08	8.77

Table No. 2 **Amount ₹ in lakhs**

Apartment Name	NO OF FLATS	Gross Block	Net Block 31.03.2017
MEGHDOOT	13	10.64	1.87
MALAD STAFF QUARTERS	27	3.69	1.68
PERSIPOLIS APTS	2	2.84	1.32
KAVITA APTS	1	2.62	1.22
AJANTA APTS	1	2.35	1.10
SOMMERSET HOUSE	1	4.28	1.07
CHITRAKOOT APTS	2	4.57	1.01
LANDS END APTS	1	2.76	0.69
MONALISA	2	1.60	0.32
RAJHANS APTS	1	1.61	0.24
OLYMPUS APTS	1	0.99	0.94
JOLLY MAKER APTS	1	0.81	0.77
NEW GULISTAN APTS	1	0.64	0.61
WOOD LANDS APTS	1	0.55	0.53

(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 have granted loans to four Body Corporates covered in the register maintained under section 189 of the Act.

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) According to information and explanation given to us and in our opinion, the Company has not advanced loans to the Directors/ to a Company in which the Directors are interested to which the provisions of section 185 of the Act apply. The Company has complied with the provision of Section 186 to the extent applicable.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 , of the Act, or any other relevant provisions of the Act, and the rules framed there under, are not applicable and hence not commented upon.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the Company, and therefore the provisions of clause (vi) of the order are not applicable to the company.

(vii) a) According to records of the Company verified by us, we report that the Company is generally regular in payment of 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 other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax and other statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues, of duty, of Customs and Excise, which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanation given to us, the following dues in respect of Income Tax, Sales Tax, Service Tax and Value Added Tax which have not been deposited on account of dispute:

Amount (Rs. in Lakhs)

Sr. No.	Name Of The Statute	Nature Of The Dues	The Forum /Authority Where Dispute Is Pending	Financial Year	Amount Involved	Amount Paid Under Protest	Unpaid Amount
1	Income Tax Act, 1961	U/s 195	Bombay High Court	2003-04 to 2005-06	9,820	-	9,820
2	Income Tax Act, 1961	Tax U/s 143(3)	Bombay High Court	2006-07	2,901	-	2,901
3	Income Tax Act, 1961	Tax U/s 143(3)	Bombay High Court	2004-05 & 2005-06	801	-	801
4	Income Tax Act, 1961	Tax U/s 147	ITAT Mumbai	2004-05 & 2005-06	2,529	-	2,529
5	Income Tax Act, 1961	Penalty u/s 271(1)	CIT(A) Mumbai	2004-05 & 2005-06	323	-	323
6	Income Tax Act, 1961	Tax U/s 143(3)	ITAT Mumbai	2007-08	1,013	-	1,013
7	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2009-10	1,180	-	1,180
8	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2011-12	393	-	393
9	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2012-13	300	-	300
10	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 15	4,183	-	4,183
11	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 15	875	-	875
12	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 14	3,129	2,155	974
13	Finance Act, 1994	Service tax	CESTAT	July 12 to Sep 15	4,945	-	4,945
14	Finance Act, 1994	Service tax	CESTAT	Mar 13 to Apr 13	98	-	98
15	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 14	38,394	-	38,394
16	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 15	34,001	-	34,001
17	Finance Act, 1994	Service tax	Commissioner (A)	July 12 to Sep 15	8	-	8
18	Finance Act, 1994	Service tax	Commissioner, LTU	Oct 09 to Sep 14	76,474	-	76,474
19	Finance Act, 1994	Service tax	CESTAT	July 12 to Sep 14	34	3	31
20	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Jun 12	22	-	22
21	Finance Act, 1994	Service tax	Joint Commissioner, LTU	Oct 09 to Jun 12	127	-	127
22	Finance Act, 1994	Service tax	CESTAT	April 09 to July 14	767	767	-
23	AP VAT Act, 2005	VAT	CTO	2011-12	10	-	10
24	Sales Tax	VAT	Bombay High Court	1994-95	14	-	14
25	Sales Tax	VAT	Bombay High Court	1993-94	22	-	22
				Total	**182,364**	**2,925**	**179,439**

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

(viii) According to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The company has not issued any debentures.

(ix) The Company has raised the money from the follow up proceeds in the earlier years. Out of the unutilized proceeds amounting to ₹ 33065 Lakhs as on 31st March, 2016, the company has utilized ₹ 3437 Lakhs during the year for the purpose for which it has been raised. However, balance amounting to ₹ 29,628 Lakhs as on 31.03.2017 have not been utilized and kept in a Fixed Deposit pending utilization. In our opinion, the term loans were applied for the purpose for which those were raised.

(x) We report that certain complaints have been received by the vigilance division of the company for the reporting period for which the investigations are under process. We have neither come across any instance of fraud by the company or any fraud on the company by its officer 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 are not applicable to the company. Therefore clause (xi) of the said order is not applicable to the company.

(xii) In our opinion the company is not a Nidhi Company. Therefore clause (xii) of the said order is not applicable to the company.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable 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 and therefore clause (xiv) of the said order is not applicable to the company.

(xv) The company has not entered into any non-cash transactions with the directors or persons connected with him and therefore the clause (xv) of the said order is not applicable to the company.

(xvi) According to the information and explanation provided by the management, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 27th May, 2017

For G. D. Apte & Co.
Chartered Accountants
FRN: 100515W

CA Chetan. R. Sapre
Partner
ICAI Membership No. 116952

Place: Mumbai
Date: 27th May, 2017

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

"Annexure B" to 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 2016-17

Sr. No.	Directions	Auditors' 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 the information and explanation given to us, the corporation has clear title/ lease deeds for freehold and leasehold land. Further, the company has one land which is on the lease is the Shipping house of Mumbai, on which building 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.	The company has write off the debts amounting to ₹ 6,94,927.23/- during the year **(Refer Annexure '1')**.	Not Material
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 are no gifts 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 2016-17

Sr. No.	Sub-directions	Auditors' 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 per the information and explanation given to us, there are 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 , trade receivables and trade payables. However, no confirmation has been sent for loans & advances. For the Trade receivables, 122 confirmations send, 12 confirmations has been received by us. For Trade Payables, 580 confirmations send, 79 confirmations have been received by us.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management. However, Reconciliation / Rectification on the basis of balance confirmation of M/s. Cochin Shipyard Ltd. has already been done before 31st March 2017.
	(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 of trade payables received wherever varying with the amount as per the books of account by more than ₹ 5 Lakhs is shown in **(Annexure –'2')**.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management. However, Reconciliation / Rectification on the basis of balance confirmation of M/s. Cochin Shipyard Ltd. has already been done before 31st March 2017.
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 Indian Accounting Standards-19 (Ind AS 19).	No Impact

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

"Annexure C" to Independent Auditors' Report

(Referred to in paragraph II (f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of 'The Shipping Corporation of India Limited'

In conjunction with our audit of the Standalone Financial Statements of **The Shipping Corporation of India Limited ("the Company")** as of and for the year ended March 31, 2017, we have audited the Internal Financial Controls over financial reporting of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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.

Auditors' Responsibility

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, issued by ICAI and 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 Institute of Chartered Accountants of India.

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.

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 auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

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) pertains 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 authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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

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

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial control over financial reporting as at 31st March, 2017.

a) The timely verification of claims of agents needs to be further strengthened.

b) The timely updation and monitoring of the data, with respect to Fleet Personnel, needs to be strengthened.

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

c) The control on the booking of bunker consumption to the correct voyage of the vessels needs to be strengthened. Also, timely updation of telegrams should be followed to avoid delays in booking of Bunker Consumption.

d) The control in the system, to ensure that the bunker consumption in case of time charter is recovered from the charterer instead of debiting to the consumption account, needs to be further strengthened.

e) The system has to ensure that the tax is deducted at source on all the provision for expense made.

f) Timely updation of Minimum rates/THC rates, for the purpose of preparation of 'Bill of Lading' needs to be strengthened. And system of maker checker for updating the same into the system, needs to be introduced.

g) Timely uploading of the data from Agents system to the Company's Invoice booking system needs to be further strengthened.

h) Maker Checker concept with respect to preparation and raising of Invoices to the Customers' needs to be strictly followed.

i) System of monitoring and clearing of Vendors Accounts, needs to be followed on timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017 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, 2017.

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, 2017 and these material weakness do not affect our opinion on the Standalone Financial Statements of the Company.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 27th May, 2017

For G. D. Apte & Co.
Chartered Accountants
FRN: 100515W

CA Chetan. R. Sapre
Partner
ICAI Membership No. 116952

Place: Mumbai
Date: 27th May, 2017

ANNEXURES 'B' TO THE INDEPENDENT AUDITORS' REPORT

Annexure-'1' to the Directions issued under section 143 (5) of the companies act, 2013.

Name of the Party	Amount	Reason
Steel Authority of India Limited	₹ 318,432	The amount being written off as the file has been closed by SAIL.
M/s DSW	₹ 34,422	The amount being written off in the view of good business relations with the Charteres.
M/s Bohra Exports Pvt. Ltd.	₹ 83,190	The amount being written off as the balance is too small and uneconomical for further action.
M/s KPCL International Limited	₹ 59,146	The amount being written off as the Party is untraceable and the balance is too small and uneconomical for further action.
M/s Marianna Shipping Ltd	₹ 37,868	The amount being written off as the balance is too small and uneconomical for further action.
M/s Glory Ship Management	₹ 273	The amount being written off as the balance is too small and uneconomical for further action.
M/s Hatmi Steels	₹ 34,635	The amount being written off as the balance is too small and uneconomical for further action.
M/s Joplin Overseas Investment Ltd	₹ 46,478	The amount being written off as the Party is untraceable and the balance is too small and uneconomical for further action.
Chakiat Agencies Pvt. Ltd.	₹ 72,200	Cargo has been auctioned by the custom authorities & hence not recoverable.
Liner Misc Receivables	₹ 8,283	These amounts are not recoverable from shipper & needs to clear from SCI books of accounts.

ANNEXURES 'B' TO THE INDEPENDENT AUDITORS' REPORT

Annexure- '2' to the Sub-Directions issued under section 143 (5) of the companies act, 2013.

Vendor Code	Vendor Name	Currency	Balance as per SCI on 31st Dec 2016	Balance as per confirmation	Difference	Nature of Account
100009	OOMER & SONS	INR	(877,949)	(286,850)	591,099	Trade Payable
100012	PENTA ELECTROMEC PVT. LTD.	INR	(6,844,341)	(8,248,901)	(1,404,560)	
100262	SAMARTH ENGINEERING	INR	(2,422,965)	(4,597,312)	(2,174,347)	
100412	SHIV TECH MARINE CONTROL SYSTEMS &	INR	(6,658,118)	(7,736,321)	(1,078,203)	
101270	Rochem (India) Pvt. Ltd.	INR	(1,096,452)	(1,661,288)	(564,836)	
		USD	(2,508)	(4,040)	(1,533)	
101632	A. S. MOLOOBHOY PVT. LTD. - MUMBAI	INR	(10,584,173)	(19,088,634)	(8,504,461)	
		USD	(8,691)	5,147	13,838	
101863	Gulf Oil Lubricants India Limited	INR	(57,194,560)	(64,897,412)	(7,702,852)	
101935	A P ENGINEERING CO.	INR	(1,432,081)	(5,193,524)	(3,761,443)	
200734	CENTRAL WAREHOUSING CORPORATION	INR	(1,475,742)	(154,440)	1,321,302	
200750	MARINE ELECTRICAL & REFRIGERATION	INR	(26,649,247)	(34,029,260)	(7,380,013)	
200752	ABB INDIA LIMITED	INR	(23,891,156)	(4,526,096)	19,365,060	
200763	THE ORIENT ENGINEERING & SHIP REPA	INR	(5,729,514)	(7,656,749)	(1,927,235)	
200770	RAREFIELD ENGINEERS PRIVATE LTD.	INR	(3,037,590)	(4,853,734)	(1,816,144)	
200832	DENKI ENGINEERING COMPANY PVT. LTD.	INR	(143,500)	(1,205,400)	(1,061,900)	
200862	INDIA HOUSE PATH-LAB	INR	(1,738,518)	(217,152)	1,521,366	
200911	COCHIN SHIPYARD LIMITED	INR	(612,617,472)	(252,765,234)	359,852,238	
200924	JANO ENGINEERING WORKS	INR	(6,200,208)	(5,295,600)	904,608	
201679	S S K ENGINEERING WORKS (INDIA) PVT	INR	(23,692,265)	(50,480,026)	(26,787,761)	
203677	MANUBHAI & CO.CHARTERED ACCOUNTANTS	INR	(574,740)	(3,619,854)	(3,045,114)	
204011	BROTHERS ENTERPRISES	INR	(2,125,841)	(2,955,050)	(829,209)	
204615	Nautilus Shipping India Pvt. Ltd.	INR	(2,604,226)	(5,017,007)	(2,412,781)	
300193	J.P. SAUER & SOHN MASCHINENBAU GMBH	EUR	(121,968)	(149,156)	(27,188)	
300203	P&I ENTERPRISES CO.,LTD.	JPY	(5,016,452)	(6,045,444)	(1,028,992)	
300225	DREW AMEROID (SINGAPORE) PTE LTD.	USD	(28,545)	(9,970)	18,575	
300535	J.O. Engineering Co., Ltd.	USD	(103,640)	(75,249)	28,391	
300747	DAEHWA ENGINEERING SERVICE CO.,LTD.	USD	(112,764)	(136,522)	(23,758)	
300810	Caterpillar Marine Asia Pacific	EUR	(43,367)	(87,338)	(43,971)	
300818	AIR INN HANSA MARINE ENTERPRISES	USD	(10,767)	(2,475)	8,292	
301142	AEGIR-Marine Singapore Pte Ltd.	SGD	(38,180)	(58,478)	(20,297)	
301243	BNT - GMASS KOREA CO., LTD.	USD	(26,531)	(197,403)	(170,872)	
301246	Chinaport Cleanseas Group Co. Ltd.	USD	(10,000)	(24,500)	(14,500)	
301267	TOS-MARINE POWER INTERNATIONAL FZC	EUR	(1,124)	(17,691)	(16,567)	

ANNEXURES ‘B’ TO THE INDEPENDENT AUDITORS’ REPORT

Vendor Code	Vendor Name	Currency	Balance as per SCI on 31st Dec 2016	Balance as per confirmation	Difference	Nature of Account
400012	FIVE OCEANS SHIP REPAIRING & MARIN	AED	(9,428,908)	(8,781,814)	647,095	Trade Payable
600009	BOYD STEAMSHIP CORPORATION	USD	(44,327)	22,305	(22,022)	
600109	CHAMPION AGENCIES CHINA LTD SHANGHAI	USD	(123,790)	1,425	(122,365)	
600825	SHARAF SHIPPING (DUBAI) CRUDE PROD	AED	392,642	2,304,681	1,912,039	
600830	BNT-FAR EASTERN SERVICES (PTE) LTD. SINGAPORE CHANGI	SGD	926,536	811,197	(115,339)	
600866	Haji Abdullah, Dammam	SAR	22,200	(192,559)	(170,359)	
600870	BNT-RENNIES SHIPS AGENCY (PTY) LTD.DURBAN	ZAR	432,707	(261,948)	170,759	
600871	Haji Abdullah, Jeddah	SAR	(41,124)	608,643	567,519	
600902	CHAMPION SHIPPING TAIWAN	TWD	(3,111,145)	1,047,319	(2,063,826)	
600006/ 600878/ 600881	AMEASTER SHIPPING & TRADING CO.	USD	640,455	(1,112,911)	(472,455)	
600007/ 600861/ 600890	ASHA AGENCIES LTD.	LKR	38,597,991	2,034,579	(36,563,413)	
600001	AGENCIA MARITIMA CONDEMINAS S.A.		(6,013,674)	(20,529,345)	-	
600099	CONDEMINAS CADIZ S.A.		718	-		
600853	LNR-AGENCIA M CONDEMINAS S.A.		(5,166,639)	-		
	Total	**INR**	**(11,179,594)**	**(20,529,345)**	**(9,349,752)**	
600006	AMEASTER SHIPPING & TRADING CO		54,258,531	(1,047,688)		
600881	LINER- AMEASTER SHIPPING & TRADING		(11,198,567)	-		
	Total	**INR**	**43,059,964**	**(1,047,688)**	**(44,107,652)**	
600007	ASHA AGENCIES LTD.		(8,759,557)	(23,423,542)		
600861	LNR-ASHA AGENCIES LTD.		28,144,434	-		
	Total	**INR**	**19,384,876**	**(23,423,542)**	**(42,808,418)**	
600011	CESARE FREMURA SRL		43,403,322	(184,817,024)		
600836	LNR-CESARE FREMURA SRL		(101,276,635)	-		
	Total	**INR**	**(57,873,313)**	**(184,817,024)**	**(126,943,711)**	
600012	CHAMPION SHIPPING SERVICE CO. LTD.		(1,693,935)	(617,673)		
600919	LNR-CHAMPION SHIPPING TAIWAN		251,703	-		
	Total	**INR**	**(1,442,232)**	**(617,673)**	**824,559**	
600015	CLB LINER		(58,665,027)	(64,772,832)		
	Total	**INR**	**(58,665,027)**	**(64,772,832)**	**(6,107,805)**	
600835	LNR-FREIGHTMAN AB		(10,526,107)	(11,386,555)		
600027	FREIGHTMAN NORWAY AS		(2,444,327)	(376,222)		

ANNEXURES 'B' TO THE INDEPENDENT AUDITORS' REPORT

Vendor Code	Vendor Name	Currency	Balance as per SCI on 31st Dec 2016	Balance as per confirmation	Difference	Nature of Account
600849	LNR-FREIGHTMAN NORWAY AS		(120,925)	-		Trade Payable
	Total	**INR**	**(13,091,359)**	**(11,762,778)**	**1,328,582**	
600056	NOVLOMAR MARITIME		518,299	(1,120,485)		
	Total	**INR**	**518,299**	**(1,120,485)**	**(1,638,783)**	
600013	CHAMPION AGENCIES CHINA LTD.		1,284,435	(22,570,729)		
600109	CHAMPION AGENCIES CHINA LTD.		(8,399,147)	-		
600918	**LNR-CHAMPION SHIPPING CHINA**		**(8,911,354)**	**-**		
	Total	**INR**	**(16,026,066)**	**(22,570,729)**	**(6,544,663)**	
600300	Medtainer Shipping & Transport S.A.		(1,657,507)	(479,792)		
	Total	**INR**	**(1,657,507)**	**(479,792)**	**1,177,715**	
600631	M/S CHAMPION SHIPPING SERIVCES		(252,251)	(494,445)		
600837	LNR-CHAMPION SHIPPING SERIVCES		1,398,571	-		
	Total	**INR**	**1,146,320**	**(494,445)**	**(1,640,765)**	
500490	CPS-CHAKIAT AGENCIES PVT. LTD.		(202,619)	(195,338)		
500402	LNR-CHAKIAT AGENCIES PVT. LTD.		16,239,626	(275,106)		
		INR	**16,037,007**	**(470,444)**	**(16,507,451)**	
500039	CMT AHMEDABAD		713,972	120,924		
500036	CMT NAGPUR		370,539	335,133		
500032	CMT INDORE		83,416	66,852		
500003	CMT MUMBAI		(1,576,137)	(746,529)		
500038	CMT DELHI		5,754,223	(12,022,970)		
		INR	**5,346,014**	**(12,246,591)**	**(17,592,605)**	
600325	SHARAF SHIPPING AGENCY L.L.C.		(33,717)	(5,223,146)		
600822	SHARAF SHIPPING (DUBAI) L.L.C. LNR		988,022	-		
	Total	**INR**	**954,305**	**(5,223,146)**	**(6,177,450)**	
4000000001	AGENCIA MARITIMA CONDEMINAS S.A.	INR	27,525,914	21,641,538	5,884,375	Trade Receivable
4000000006	AMEASTER SHIPPING & TRADING CO.	INR	23,625,511	-	23,625,511	
4000000007	ASHA AGENCIES LTD.	INR	16,916,996	12,159,967	4,757,029	
4000000011	CESARE FREMURA SRL	INR	158,792,013	163,533,503	(4,741,490)	
4000000015	CLB LINER	INR	46,994,501	48,728,302	(1,733,801)	
4000000027	FREIGHTMAN NORWAY AS	INR	3,746,598	787,137	2,959,461	
4000000050	MARTI SHIPPING AGENCY S.A.	INR	33,345,486	129,210,529	(95,865,043)	
3000000002	CHAKIAT AGENCIES PVT. LTD.	INR	17,424,464.14	15,047,834.02	2,376,630.12	

The Shipping Corporation of India Limited
STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	**4**	1,141,062	1,182,675	1,133,958
Capital work-in-progress	**5**	2,733	-	49,094
Other intangible assets	**6**	6	46	1,225
Financial assets				
i. Investments	**7(a)**	7,463	2,827	1,306
ii. Loans	**7(b)**	1,490	1,523	1,221
iii. Other financial assets	**7(d)**	20	79	1
Income Tax assets (net)	**8**	11,894	10,493	6,849
Other non-current assets	**9**	9,105	6,035	15,398
Total non-current assets		**1,173,773**	**1,203,678**	**1,209,052**
Current assets				
Inventories	**10**	11,521	8,558	9,193
Financial assets				
i. Investments	**7(e)**	-	3,746	7,669
ii. Trade receivables	**7(f)**	65,871	68,183	73,318
iii. Cash and cash equivalents	**7(g)**	57,124	49,682	11,253
iv. Bank balances other than (iii) above	**7(c)**	80,442	78,864	114,361
v. Loans	**7(b)**	26,738	28,878	29,421
vi. Other financial assets	**7(d)**	16,193	10,256	11,735
Other current assets	**9**	14,205	19,733	13,566
Assets classified as held for sale	**11**	690	74	70
Total current assets		**272,784**	**267,974**	**270,586**
Total assets		**1,446,557**	**1,471,652**	**1,479,638**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	**12**	46,580	46,580	46,580
Other Equity	**13**	640,158	625,768	551,920
Total equity		**686,738**	**672,348**	**598,500**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**14(a)**	307,763	455,619	551,686
ii. Other financial liabilities	**14(b)**	38	9	41
Provisions	**17**	8,574	14,559	13,797
Deferred tax liabilities (net)	**15**	34,362	35,163	36,199
Total non-current liabilities		**350,737**	**505,350**	**601,723**

The Shipping Corporation of India Limited

STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current liabilities				
Financial liabilities				
i. Borrowings	**14(C)**	97,420	-	3,500
ii. Trade payables				
Micro, Small and Medium Enterprises	**14(d)**	1,585	515	547
Others	**14(d)**	113,644	109,396	109,039
iii. Other financial liabilities	**14(b)**	179,279	163,530	153,523
Other current liabilities	**16**	16,186	15,873	9,726
Provisions	**17**	968	4,640	3,080
Total current liabilities		**409,082**	**293,954**	**279,415**
Total liabilities		**759,819**	**799,304**	**881,138**
Total equity and liabilities		**1,446,557**	**1,471,652**	**1,479,638**

The accompanying cash flow statement, statement of changes in equity and notes No. 1 to 40 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

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

For G. D. APTE & Co.
Chartered Accountants
FR. No. 100515W

CA Sanjeev Maheshwari
Partner
Membership No. 38755

CA Chetan R. Sapre
Partner
Membership No. 116952

Dipankar Haldar
ED (LA & Co. Sec.)

Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 27th May, 2017

Mumbai, Dated the 27th May, 2017

The Shipping Corporation of India Limited
STANDALONE STATEMENT OF PROFIT AND LOSS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations	**18,19**	344,687	404,988
Other income	**20**	14,523	16,479
Total Income		**359,210**	**421,467**
Expenses			
Cost of services rendered	**21**	214,129	209,876
Employee benefits expense	**22**	45,765	48,700
Finance costs	**23**	17,215	17,187
Depreciation and amortisation expense	**24**	56,607	54,225
Other expenses	**25**	7,770	12,537
Total expenses		**341,486**	**342,525**
Profit before exceptional items and tax		**17,724**	**78,942**
Exceptional items		-	-
Profit before tax		**17,724**	**78,942**
Tax expense	**28**		
Current tax		6,105	7,100
Deferred tax		(801)	(1,036)
MAT Credit adjusted		(1,132)	(2,450)
Total tax expense		**4,172**	**3,614**
Profit for the period		**13,552**	**75,328**
Other comprehensive income			
Items that will not be reclassified to profit or loss: Remeasurements gain/(loss) of defined benefit plans		838	(1,481)
Other comprehensive income for the period, net of tax		**838**	**(1,481)**
Total comprehensive income for the period		**14,390**	**73,847**
Earnings per equity share	**26**		
Basic earnings per share		**2.91**	**16.17**
Diluted earnings per share		**2.91**	**16.17**

The accompanying cash flow statement, statement of changes in equity and notes No. 1 to 40 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

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Partner
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Mumbai, Dated the 27th May, 2017

For and on behalf of the Board of Directors,

Dipankar Haldar
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Director (Finance)

Capt. Anoop Kumar Sharma
Chairman & Managing Director

Mumbai, Dated the 27th May, 2017

The Shipping Corporation of India Limited

STANDALONE CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A Cash Flow from operating activities		
Profit before income tax	17,724	78,942
Adjustments for		
Add:		
Depreciation and amortisation expenses	56,607	54,225
Finance costs	17,215	17,187
Bad debts and irrecoverable balances written off	7	23
Provision for diminution of value of investment	39	3
Less:		
Dividend received	(44)	(625)
Interest received	(10,644)	(11,411)
Excess Provisions written back	(642)	(851)
Profit on sale of investment	-	-
Remeasurements of post-employment benefit obligations	838	(1,481)
Surplus on sale of fixed assets	(803)	(1,245)
Provision for doubtful debts	(1,099)	(1,807)
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	1,354	11,375
(Increase)/Decrease in inventories	(2,963)	635
Increase/(Decrease) in trade payables	(3,015)	12,328
Cash generated from operations	74,574	157,298
Income taxes paid	(6,374)	(8,294)
Net cash inflow from operating activities (A)	**68,200**	**149,004**
B Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(19,336)	(52,671)
Sale proceeds of property, plant and equipment	1,837	1,242
Income from Investments	2,130	3,180
Proceeds from sale of investments	3,746	3,923
Purchase of non-current investments	(4,675)	(1,524)
Loans given to Joint venture	(383)	-
Recovery of Loans given to employees and Joint venture	2,581	119
Other Deposits with banks	(1,597)	35,490
Advances and other Deposits	(855)	49
Interest received	8,017	9,072
Net cash outflow from investing activities (B)	**(8,535)**	**(1,120)**

The Shipping Corporation of India Limited
STANDALONE CASH FLOW STATEMENT
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
C Cash flow from financing activities		
Long term loans borrowed/(repaid)	(132,667)	(88,904)
Short term loans borrowed/(repaid)	97,420	(3,500)
*Dividend on shares paid of earlier years and transfer to IEPF	(19)	(7)
Interest paid	(16,788)	(16,939)
Other financing costs	(188)	(112)
Net cash inflow (outflow) from financing activities (C)	**(52,242)**	**(109,462)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	7,423	38,422
Add: Changes in Bank balances (unavailable for use) *	19	7
Add: Cash and cash equivalents at the beginning of the financial year	49,682	11,253
Cash and cash equivalents at the end of the year	**57,124**	**49,682**
Reconciliation of Cash Flow statements as per the cash flow statement		
Cash Flow statement as per above comprises of the following	**31 March 2017**	**31 March 2016**
Cash and cash equivalents	57124	49,682
Balances as per statement of cash flows	57124	49,682

*The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividends bank accounts.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

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

For G. D. APTE & Co.
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Managing Director

Mumbai, Dated the 27th May, 2017

Mumbai, Dated the 27th May, 2017

STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)

Balance as at 1 April 2015	46,580
Changes in equity share capital	-
Balance as at 31 March 2016	**46,580**
Changes in equity share capital	-
Balance as at 31 March 2017	**46,580**

B. Other Equity

	Note	Reserves and Surplus						
					Other Reserves			Total equity
		Capital Reserve	Securities Premium Reserve	Retained earnings	General Reserve	Tonnage Tax Reserve	Tonnage Tax Reserve (Utilised)	
Balance as at 1 April 2015		**14,298**	**52,177**	**(58,332)**	**404,827**	**50**	**138,900**	**551,920**
Profit for the year		-	-	75,329	-	-	-	75,329
Other Comprehensive Income for the year	31	-	-	(1,481)	-	-	-	(1,481)
Total Comprehensive Income for the year		**-**	**-**	**73,848**	**-**	**-**	**-**	**73,848**
Transfer from surplus in Statement of Profit and Loss account		-	-		-	9,000	-	9,000
Transfer From Tonnage Tax Reserve (Utilised)		-	-	(9,000)	138,900	-	-	129,900
Transfer to general reserve		-	-		-	-	(138,900)	(138,900)
Balance as at 31 March 2016		**14,298**	**52,177**	**6,516**	**543,727**	**9,050**	**-**	**625,768**
Profit for the year		-	-	13,552	-	-	-	13,552
Other Comprehensive Income for the year	31	-	-	838	-	-	-	838
Total Comprehensive Income for the year		**-**	**-**	**14,390**	**-**	**-**	**-**	**14,390**
Transfer from Tonnage tax reserve (utilised)		-	-	(750)	9,050		-	8,300
Transfer from surplus in Statement of Profit and Loss account		-	-	-	-	750	-	750
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	(9,050)	-	(9,050)
Transfer from Tonnage tax reserve		-	-	-	-	-	9,050	9,050
Transfer to General Reserve		-	-	-	-	-	(9,050)	(9,050)
Balance as at 31 March 2017		**14,298**	**52,177**	**20,156**	**552,777**	**750**	**-**	**640,158**

The accompanying notes No 1 to 40 are an integral part of these Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

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

For G. D. APTE & Co.
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Chairman &
Managing Director

Mumbai, Dated the 27th May, 2017

Mumbai, Dated the 27th May, 2017

Corporate Information

Shipping Corporation of India Limited is the largest Indian Shipping company limited by shares, incorporated in 1961. SCI is involved in business of transporting goods and passengers. SCI's owned fleet includes Bulk carriers, Crude oil tankers, Product tankers, Container vessels, Passenger-cum-Cargo vessels, Phosphoric Acid / Chemical carriers, LPG / Ammonia carriers and Offshore Supply Vessels. In addition, SCI manages a large number of vessels on behalf of various government departments and organizations.

The registered office of the Company is located at Shipping House, 245, Madame Cama Road, Nariman Point, Mumbai - 400 021.

These Financial Statements are approved for issue by the board of directors on 27th May 2017.

Note 1: Significant Accounting Policies

1. Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation

(a) Compliance with Indian Accounting Standards

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") to the extent applicable and current practices prevailing within the Shipping Industries in India. These are the Company's first Ind AS Financial Statements and Ind AS 101, 'First–time Adoption of Indian Accounting Standards' has been applied. The policies set out below have been consistently applied during the years presented.

For all periods up to and including the year ended 31 March 2016, the Company has prepared its Financial Statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

These Financial Statements for the year ended 31 March 2017 are the first Financial Statements the Company has prepared in accordance with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in Note 3.

(b) Historical cost convention

The Financial Statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial asset and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(c) The assets and liabilities reported in the Balance Sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale. Current assets, which include cash and cash equivalents (includes earmarked balances, margin money for bank guarantee) are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the Balance Sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

(d) The Financial Statements are presented in 'Indian Rupees' (INR), which is also the Company's functional currency and all amounts are rounded to the nearest lakhs, unless otherwise stated.

(e) Recent accounting pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 April, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the Financial Statements is being evaluated.

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The Financial Statements are presented in ‘Indian Rupees’ (INR), which is the Company’s functional and the Company’s presentation currency.

(b) Transactions and balances

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.

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.

Exchange difference arising on repayment of liabilities and conversion of foreign currency closing balances pertaining to long term loans as on 31.03.2016 for acquiring ships / containers / other depreciable assets and asset under construction is adjusted in the carrying cost of respective assets. In case of long term loans taken after 31.03.2016, the exchange difference on repayment of liabilities and conversion of foreign currency closing balances pertaining to the loans is charged/credited to Statement of Profit & Loss.

The exchange differences arising on translation of other monetary assets and liabilities are recognised in the Statement of profit and loss.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on 31.03.2016 as described above.

1.3 Property, plant and equipment

Items of property, plant and equipment acquired or constructed are stated at historical cost net of recoverable taxes, less accumulated depreciation and impairment of loss, if any. The cost of tangible assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, wherever applicable including any cost directly attributable till completion of maiden voyage.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost (net of revenues during constructions) are disclosed under Capital Work-in-Progress.

Subsequent costs like expenditure on major maintenance refits or repairs including planned drydock are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Transition to Ind AS:

On transition to Ind AS -

a) Freehold land has been measured at fair value on transition date and that fair value is used as the deemed cost;

b) Certain items of fleet have been measured at fair value and that fair value is used as deemed cost as on transition date.

c) All other assets which are not fair valued have been measured in accordance with Ind AS 16 retrospectively.

Depreciation:

Depreciation on all vessels is charged on “Straight Line Method” less residual value .In the case of Liner and Bulk Carrier vessels, the Company has adopted useful life of 25 years as mentioned in Schedule II to the Companies Act, 2013. 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.

Capitalised expenditure on drydock are depreciated until the next planned dry-docking.

Depreciation on other tangible assets is charged on “Straight Line Method” at rates mentioned in Schedule II of Companies Act, 2013.

Assets costing individually ₹5000/- and below are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of lease.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

RETIREMENT AND DISPOSAL OF ASSETS

a) Assets which have been retired from operations for eventual disposal are exhibited separately in the Note No. 11- Assets classified as held for sale.

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.

1.4 Intangible assets

Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs and directly attributable costs.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets including software is amortised over the useful life not exceeding five years.

1.5 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

1.6 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment 31st March every year or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

1.7 Inventories

Inventories are valued at cost as determined on ‘Moving Average Price’ method or net realisable value, whichever is lower, unless otherwise stated.

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.

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

1.8 Non-current assets held-for-sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

1.9 Trade Receivable

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are recognized initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment. The carrying value less impairment provision of trade receivables, are assumed to be approximate to their fair values.

1.10 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less from date of acquisition.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

1.11 Investments and other financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For the purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity Instruments

a) Subsidiary and Joint Ventures

Investments in equity instruments of subsidiary and joint ventures are carried at cost less impairment, if any.

b) Others

The Company subsequently measures all equity instruments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

iii. Derecognition

A financial asset is derecognised only when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

iv. Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated above is as follows:

Debt instruments measured at amortised cost and FVTOCI: Debt instruments at amortised cost and those at FVTOCI where there has been a significant increase in credit risk, lifetime expected credit loss provision method is used and in all other cases, the impairment provision is determined as 12 months expected credit losses.

Trade receivables from customers: The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables.

v. Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

1.12 Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.13 Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.14 Financial liabilities

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Trade and other payable: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.15 Income tax

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 normal provisions of the Income- Tax Act 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws in previous years is recognised as an asset and adjusted against provision for income tax liability of the year in which there is a reasonable certainty which give rise to future economic benefits in the form of tax credit against future income tax liability.

Deferred income tax is provided in full, using the liability method, on temporary differences (other than those which are covered in tonnage tax scheme) arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

1.16 Employee Benefits

a) Short-term / long term obligations

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

b) Defined contribution plan

Employee benefits under defined contribution plans comprising of post- retirement medical benefits (w.e.f 01.01.2007), provident fund and pension contribution are recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. This contribution is recognised based on its undiscounted amount and paid to a fund administered through a separate trust except post- retirement medical benefit for employees retired w.e.f 01.01.2007.

c) Defined benefit plan

Employee benefits under defined benefit plans comprising of gratuity, leave encashment and post- retirement medical benefits for employees retired before 01.01.2007.are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

1.17 Prior period items

All material prior period errors are adjusted retrospectively in the first set of Financial Statements approved for issue after their discovery by:

(a) Restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

1.18 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is treated as contingent liability.

Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

1.19 Revenue Recognition

The Company recognises revenue in Statement of Profit & Loss when

- The income can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the Company,
- The stage of completion of the transaction at the balance sheet date can be measured reliably, and
- Costs relating to the transaction can be measured reliably.

The Statement of Profit & Loss reflects,

i. Freight revenues and costs directly attributable to the transport of cargo are recognized on a percentage of voyage completion basis.

ii. In respect of time charter arrangements, income and expenses are booked on accrual basis.

iii. Demurrage income as revenue when it can be measured reliably as per contractual terms.

iv. Standing Charges (Vessel related Fixed Costs) for all the vessels on accrual basis.

v. Administrative expenses which comprises of administrative staff cost, management cost, office expenses and other expenses relating to administration are recognized on accrual basis.

1.20 INSURANCE, P&I AND OTHER CLAIMS

a) Provision in respect of claims against the Company and covered by Hull and P&I insurance is made as under:-

i. In respect of collision claims and P & I claims (other than crew & cargo claims), to the extent of deductible limit based on the assessment provided by the surveyors.

ii. In case of Cargo claims, actual claims registered and/ or paid pertaining to the relevant year's voyages as ascertained at the period end or the P&I deductible limit whichever is lower.

iii. 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, shipowners, ship charterers, customs and others, etc. are accounted for on realisation, due to uncertainty in the amounts of their ultimate recovery.

1.21 Leases

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments & Receipts under operating leases are charged / credited to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

1.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

1.23 Earnings per share

Basic is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.24 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.25 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to duty scrips on export of services (Served from India Scheme) are related to income and are recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Note 2: Critical Accounting Estimates and Judgements

Preparing the Financial Statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the Balance Sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Useful lives of vessels

Management of the Company decided the estimated useful lives of vessels and respective depreciation. The accounting estimate is based on the expected wears and tears. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of fixed assets.

b) Residual Value

Residual value is considered as 5% of original cost of Vessel. The residual value is reviewed every year on 31st March.

c) Impairment of assets

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. 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.

d) Defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations.

e) Provision

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

f) Impairment of Trade Receivable

The methodology followed by SCI is the use of a provision matrix as a practical expedient to measure expected credit losses on its portfolio of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date.

Considering the different services provided by our company and provisioning made segment wise in SCI, analysis and computation of expected credit loss for trade receivables is done for different segments.

g) Demurrage

Vessel Demurrage income due as per contractual terms is recognized. A provision on estimated basis is made towards deduction from demurrage based on past experience of settlements.

h) Income Tax

Due to Tonnage tax regime applicable on the main part of the Company's activities, resulting in a lower income tax payable in the future, the amount of deferred tax to be recognised is limited. Considering the tonnage tax regime applicable to shipping activities, difference between taxable and book values of assets and liabilities are generally of permanent nature. This is due to the fact that the taxable result for tonnage tax eligible activities has no correlation with either carrying value or the generally applicable tax value of assets and liabilities. As a consequence, temporary differences are limited to those arising from other activities which are subject to normal Income tax provisions.

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NOTES TO STANDALONE FINANCIAL STATEMENTS

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Note 3: First time adoption of Ind AS

Transition to Ind AS

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. These Financial Statements for the year ended 31st March, 2017 are the first Fiinancial Statement the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016 , the Company prepared its Financial Statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS Financial Statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared Financial Statements which comply with Ind AS for year ended 31st March, 2017, together with the comparative information as at and for the year ended 31st March, 2016. The Company's opening Ind AS Balance Sheet has been prepared as at 1st April, 2015, the date of transition to Ind AS.

In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP Financial Statements, including the Balance Sheet as at 1st April, 2015 and the Financial Statements as at and for the year ended 31st March, 2016.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to measure all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS at fair value or previous GAAP carrying value and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets" .

Accordingly, the Company has elected to measure certain items of its property, plant and equipment (PPE) at their fair values. The Company has elected to use previous GAAP carrying value as deemed cost for Intangible Assets covered by Ind AS 38 "Intangible Assets".

A.1.2 Long term foreign currency monetary items

Ind AS 101 permits a first time adopter to continue the accounting policy adopted for accounting for exchange differences arising on translation of long term foreign currency monetary items outstanding as on 31st March 2016.

The Company has opted to apply this exemption.

A.2 Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

1) Investment in mutual funds carried at FVTPL;
2) Impairment of Trade Receivables based on expected credit loss model

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (other than equity instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances exist at the transition date.

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

The presentation requirements under previous GAAP differs from Ind AS and hence the previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived based on the audited Financial Statements of the Company for the year ended 31 March 2015 and 31 March 2016.

Reconciliation of equity as at date of transition (1 April 2015)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	**1,2,3**	1,143,206	(9,248)	1,133,958
Capital work-in-progress		49,094	-	49,094
Other intangible assets	**2**	1,209	16	1,225
Financial assets				
i. Investments		1,306	-	1,306
ii. Loans	**6**	2,287	(1,066)	1,221
iii. Other financial assets		1	-	1
Income Tax Assets(Net)		6,849	-	6,849
Other non-current assets	**6,7**	14,689	709	15,398
Total non-current assets		**1,218,641**	**(9,589)**	**1,209,052**
Current assets				
Inventories		9,193	-	9,193
Financial assets				
i. Investments		7,669	-	7,669
ii. Trade receivables	**5**	79,080	(5,762)	73,318
iii. Cash and cash equivalents		11,253	-	11,253
iv. Bank balances other than (iii) above		114,361	-	114,361
v. Loans	**6**	29,064	357	29,421
vi. Other financial assets	**2,4**	2,384	9,351	11,735
Other current assets		13,566	-	13,566
Assets classified as held for sale		70	-	70
Total current assets		**266,641**	**3,946**	**270,586**
Total assets		**1,485,282**	**(5,643)**	**1,479,638**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		46,580	-	46,580
Other equity	**1,2,3,4,5**	606,780	(54,860)	551,920
Total equity		**653,360**	**(54,860)**	**598,500**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**3**	556,994	(5,308)	551,686
ii. Other financial liabilities		41	-	41
Provisions		13,797	-	13,797

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
Deferred tax liabilities	**9**	-	36,199	36,199
Total non-current liabilities		**570,832**	**30,891**	**601,723**
Current liabilities				
Financial liabilities				
i. Borrowings		3,500	-	3,500
ii. Trade payables				
Micro, Small and Medium Enterprises		547	-	547
Others	**1,2,4**	90,633	18,406	109,039
iii. Other financial liabilities	**2,3**	153,603	(80)	153,523
Other current liabilities		9,726	-	9,726
Provisions		3,080	-	3,080
Total current liabilities		**261,089**	**18,326**	**279,415**
Total liabilities		**831,921**	**49,217**	**881,138**
Total equity and liabilities		**1,485,282**	**(5,643)**	**1,479,638**

Reconciliation of equity as at 31 March 2016

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	**1,2,3**	1,160,253	22,422	1,182,675
Capital work-in-progress		-	-	-
Other intangible assets	**2**	58	(12)	46
Financial assets				
i. Investments	**8**	2,737	90	2,827
ii. Loans	**6**	2,735	(1,212)	1,523
iii. Other financial assets	**-**	79	-	79
Income Tax Assets(Net)	**-**	10,493	-	10,493
Other non-current assets	**6,7**	5,096	939	6,035
Total non-current assets		**1,181,451**	**22,227**	**1,203,678**
Current assets				
Inventories		8,558	-	8,558
Financial assets				
i. Investments	**-**	3,746	-	3,746
ii. Trade receivables	**5**	69,651	(1,468)	68,183
iii. Cash and cash equivalents		49,682	-	49,682
iv. Bank balances other than (iii) above		78,864	-	78,864
v. Loans	**6**	28,528	350	28,878
vi. Other financial assets	**2,4**	1,519	8,737	10,256
Other current assets	**-**	19,733	-	19,733
Assets classified as held for sale		74	-	74

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
Total current assets		**260,355**	**7,619**	**267,974**
Total assets		**1,441,806**	**29,846**	**1,471,652**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		46,580	-	46,580
Other equity	**1,2,3,4,5**	644,459	(18,691)	625,768
Total equity		**691,039**	**(18,691)**	**672,348**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**3**	459,800	(4,181)	455,619
ii. Other financial liabilities	**-**	9	-	9
Provisions	**7**	14,452	107	14,559
Deferred tax liabilities	**9**	-	35,163	35,163
Total Non-Current liabilities		**474,261**	**31,089**	**505,350**
Current liabilities				
Financial liabilities				
i. Borrowings	**-**	-	-	-
ii. Trade payables				
Micro, Small and Medium Enterprises		515	-	515
Others	**1,2,4**	92,621	16,775	109,396
iii. Other financial liabilities	**2,3**	163,384	146	163,530
Provisions	**7**	4,112	528	4,640
Other current liabilities		15,873	-	15,873
Total current liabilities		**276,505**	**17,449**	**293,954**
Total liabilities		**750,766**	**48,538**	**799,304**
Total equity and liabilities		**1,441,806**	**29,847**	**1,471,652**

B. Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
Revenue from operations	**2,4**	406,610	(1,622)	404,988
Other income	**2**	16,481	(2)	16,479
Total Income		**423,091**	**(1,624)**	**421,467**
Expenses				
Cost of services rendered	**1,2,4**	227,147	(17,271)	209,876
Employee benefits expense	**6**	49,515	(815)	48,700
Finance costs	**3**	16,060	1,127	17,187
Depreciation and amortisation expense	**1,2,3**	57,995	(3,770)	54,225
Other expenses	**2,4,5,8**	16,551	(4,014)	12,537

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
Impairment of Assets	1	13,638	(13,638)	-
Total expenses		**380,906**	**(38,381)**	**342,525**
Profit/(loss) before Prior Period, exceptional items and tax		**42,185**	**36,757**	**78,942**
Income / (Expenses) pertaining to Prior Period (Net)	**2**	**194**	**(194)**	**-**
Profit before exceptional items and tax		**42,379**	**36,563**	**78,942**
Exceptional items		-	-	-
Profit before tax		**42,379**	**36,563**	**78,942**
Income Tax expense				
Current tax		7,100	-	7,100
Deferred tax	9	-	(1,036)	(1,036)
MAT Credit adjusted		(2,450)	-	(2,450)
Total tax expense		**4,650**	**(1,036)**	**3,614**
Profit for the Year		**37,729**	**37,599**	**75,328**
Other comprehensive income	**7,10**	**-**	**(1,481)**	**(1,481)**
Total comprehensive income for the year		**37,729**	**36,118**	**73,847**

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Notes to first time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		691,039	653,361
Adjustments			
Changes in the accounting policy for revenue recognition from Completion method to Percentage completion method	4	2,636	2,261
Impact on depreciation, Repair Costs and fair valuation of certain items of Property, Plant & Equipment and capitalization of dry-dock expenses	1,10	22,334	(10,605)
Fair valuation of Employee Loans	6	(30)	-
Effective Interest Rate Accounting	3	4,512	5,602
Prior Period Policy	2	(11,073)	(10,158)
Expected Credit Loss Policy	5	(1,468)	(5,762)
Fair valuation of investments	2	90	-
Re- classification of Net Actuarial gain on Employee defined benefit obligations	7	(529)	-
Deferred Tax	9	(35,163)	(36,199)
Total adjustments		**(18,691)**	**(54,861)**
Total equity as per Ind AS		**672,348**	**598,500**

Reconciliation of total comprehensive income for the year ended 31 March 2016

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first time adoption	31 March 2016
Profit/(Loss) after tax as per previous GAAP		**37,729**
Adjustments:		
Changes in the accounting policy for revenue recognition from Completion method to Percentage completion method	**4**	375
Impact on depreciation, Repair Costs and fair valuation of certain items of Property, Plant & Equipment and capitalization of dry-dock expenses	**1**	32,939
Fair valuation of Employee Loans	**6**	(30)
Effective Interest Rate Accounting	**3**	(1,090)
Prior Period Policy	**2**	(967)
Expected Credit Loss Policy	**5**	4,294
Fair valuation of investments	**8**	90
Re- classification of Net Actuarial gain on Employee defined benefit obligations	**7**	952
Deferred Tax	**9**	1,036
Total adjustments		**37,599**
Profit after tax as per Ind AS		**75,328**
Other Comprehensive Income	**11**	**(1,481)**
Total Comprehensive Income as per Ind AS		**73,847**

Impact of Ind AS adoption on the Standalone Statements of cash flows for the year ended 31 March 2016

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities		149,004	-	149,004
Net cash flow from investing activities		(1,120)	-	(1,120)
Net cash flow from financing activities		(109,462)	-	(109,462)
Net increase/(decrease) in cash and cash equivalents		**38,422**	**-**	**38,422**
Cash and cash equivalents as at 1 April 2015		11,253	-	11,253
Effects of exchange rate changes on cash and cash equivalents				
Cash and cash equivalents as at 31 March 2016		**49,675**	**-**	**49,675**

C: Notes to first-time adoption:

Note 1: Property, plant and equipment

Under previous GAAP, property, plant and equipments were carried at cost less accumulated depreciation and impairment, if any.

On transition to Ind AS, the Company has opted to carry such property, plant and equipments as under:

a) Freehold land has been measured at fair value on transition date and that fair value is used as the deemed cost.
b) Certain items of fleet have been measured at fair value and that fair value is used as deemed cost as on transition date.
c) All other assets which are not fair valued have been measured in accordance with Ind AS 16 retrospectively.
d) Under the previous GAAP, dry dock expenses were charged to P&L account based on stage of completion in the same quarter/ financial year. Under Ind AS, last dry dock costs incurred even prior to 01.04.2015 are being capitalised and treated as separate component of vessels and being written off over a effective period of the dry dock.

Consequent to above, the total equity as at 31 March 2016 is increased by ₹ 22334 (1 April 2015 – (-) ₹ 10605) with corresponding adjustment of ₹ 10605 to retained earnings & profit for the year ended 31 March 2016 is increased by ₹ 32939.

Note 2: Prior Period Income and Expenses Adjustment

Under previous GAAP, the Company was accounting for prior period items in the year in which errors were identified. Under Ind AS 8, an entity shall correct material prior period errors retrospectively in the first set of Financial Statements approved for issue after their discovery by:

(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. Accordingly, material prior period errors were adjusted by restating the comparative amounts for the prior periods.

Consequent to the above, total equity as at 31 March 2016 has been decreased by ₹ 11075 (1 April 2015 – ₹ 10157) with a corresponding adjustment of ₹ 10157 to retained earning & profit for the year ended 31 March 2016 is decreased by ₹ 967.

Note 3: Borrowing at amortised cost

Under previous GAAP, transaction cost (upfront fee) for borrowings taken for fixed asset were capitalised and amortised over useful life of the fixed asset. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Consequent to above, total equity as at 31 March 2016 is increased by ₹ 4512 (1 April 2015 – ₹ 5602) with a corresponding adjustment of ₹ 5602 to retained earning and profit for the year ended 31 March 2016 decreased by ₹ 1090.

Note 4: Recognition of Revenue and Expenditure

Under previous GAAP, Freight & Direct operating expenses i.e. bunker, port dues, cargo handling expenses etc. were recognised in accounts only on completion of a voyage. In case of unfinished voyage, amount booked 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 unfinished voyages including hire and freight for vessel chartered-in are carried forward as unfinished voyage expenses except in case of time charter. Under Ind AS 18, when the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. Therefore, freight is recognised proportionately as per percentage completion method based on the period of voyage till cut off date and Direct operating expenses incurred till cut off date are now booked pro rata based on the total period of voyage.

Consequent to above adjustments, total equity as at 31 March 2016 is increased by ₹ 2636 (1 April 2015 – ₹ 2261) with a corresponding adjustment of ₹ 2261 to retained earning and profit for the year ended 31 March 2016 increased by ₹ 375.

Note 5: Expected Credit Loss

Under previous GAAP, Provision is made for all the debtors aged beyond three years and in case of debtors aged below three years, provision is made for cases like bankruptcy, terminated agents. Under Indian Accounting Standard (Ind AS) 109 , the Company is required to apply expected credit loss model for recognising the allowances for doubtful debts. The Company has applied the simplified approach for providing for expected credit losses and used provision matrix as a practical expedient to measure expected credit losses on its portfolio of trade receivables.

As a result, the allowance for doubtful debts increased by ₹ 1468 as at 31 March 2016 (1 April 2015 - ₹ 5762). Consequently, the total equity as at 31 March 2016 has been decreased by ₹ 1468 (1 April 2015 - ₹ 5762) and profit for the year ended 31 March 2016 increased by ₹ 4294.

Note 6: Fair Valuation of Employee Loan

Under previous GAAP, employee loans at concessional rate were carried at amount lent to the employee and interest income was charged to profit and loss on accrual basis. Under Ind AS 109, Employee loans are fair valued on intitial recognition and subsequently measured at amortised cost with interest income recognised based on effective interest rate method.

Consequent to above adjustments, the total equity as at 31 March 2016 has been decreased by ₹ 30 and profit for the year ended 31 March 2016 decreased by ₹ 30.

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 952.

Note 8: Fair valuation of investments

Under the previous GAAP, investment in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, same are required to be fair valued and subsequently to be measured at Fair value through Profit and Loss.

Consequent to above, the Company has fair valued in investments in equity instruments which has resulted in increase in total equity by ₹ 90 as at 31st March 2016 and increase in profit for the year ended 31 March 2016 ₹ 90 .

Note 9: Deferred Tax

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Under previous GAAP, deferred taxes were recognised for the tax effects of timing differences between accounting profit and taxable profit for the year using the income statement approach. However, the Company was covered under tonnage tax scheme for shipping companies. Accordingly, the Company was not required to give effects to timing differences as contemplated under AS 22 “Accounting for taxes on income”. Under Ind AS, deferred taxes are required to be recognised using the Balance Sheet approach for future tax consequences of temporary differences (other than those are covered in tonnage tax scheme) between the carrying value of assets and liabilities and their respective tax bases.

Consequent to above, the total equity as at 31 March 2016 is decreased by ₹ 35163 (1 April 2015 – ₹ 36199) with corresponding adjustment of ₹ 36199 to retained earnings & profit for the year ended 31 March 2016 is increased by ₹ 1036.

Note 10: Fair valuation of freehold land and certain items of PPE

As on transition date, the Company has decided to fair value certain items of PPE including freehold land and used that as deemed cost as at that date. Details of fair values and adjustment to the carrying amount are as under:

Particulars	Fair Value Amount	Adjustment to carrying amount as reported under IGAAP
Freehold land	237,630	237,359
Fleet	643,502	(264,945)
Total	**881,132**	**(27,586)**

Note 11: Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 12: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

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(All amounts in INR lakhs, unless otherwise stated)

Note 4: Property, plant and equipment

Particulars	Freehold Land	Buildings	Ownership Flats & Residential Buildings	Fleet	Fleet Drydock	Ownership Container	Furniture, Fittings & Equipments	Moter Vehicles	Total
Year ended 31 March 2016									
Gross carrying amount	-	-	-	582,582	-	-	-	-	**582,582**
Deemed Cost as at 1st April 2015	237,630	735	141	643,502	16,518	-	1,026	8	**899,560**
Additions	-	372	-	85,981	15,243	-	115	-	**101,711**
Other Adjustments	-	-	(1)	-	-	-	-	-	**(1)**
Closing gross carrying amount	**237,630**	**1,107**	**140**	**1,312,065**	**31,761**	**-**	**1,141**	**8**	**1,583,852**
Accumulated depreciation									
Opening accumulated depreciation				348,184	-	-	-	-	**348,184**
Depreciation charge during the year	-	24	5	43,669	8,975	-	316	4	**52,993**
Deductions and Adjustments	-	-	-	-	-	-	-	-	**-**
Closing accumulated depreciation	**-**	**24**	**5**	**391,853**	**8,975**	**-**	**316**	**4**	**401,177**
Net carrying amount	**237,630**	**1,083**	**135**	**920,212**	**22,786**	**-**	**825**	**4**	**1,182,675**
Year ended 31 March 2017									
Gross carrying amount									
Opening gross carrying amount	237,630	1,107	140	1,312,065	31,761	-	1,141	8	**1,583,852**
Additions	-	-	-	1,289	14,943	-	371	-	**16,603**
Assets classified as held for sale (Note 11)	-	-	-	(662)		-	-	-	**(662)**
Disposals				(6,510)			(1)	-	**(6,511)**
Closing gross carrying amount	**237,630**	**1,107**	**140**	**1,306,182**	**46,704**	**-**	**1,511**	**8**	**1,593,282**
Accumulated depreciation									
Opening accumulated depreciation	-	24	5	391,853	8,975	-	316	4	**401,177**
Depreciation charge during the year	-	28	5	45,063	11,191	-	275	4	**56,566**
Assets classified as held for sale (Note 11)	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	(5,523)	-	-	-	-	**(5,523)**
Closing accumulated depreciation	**-**	**52**	**10**	**431,393**	**20,166**	**-**	**591**	**8**	**452,220**
Net carrying amount	**237,630**	**1,055**	**130**	**874,789**	**26,538**	**-**	**920**	**-**	**1,141,062**

Notes

(1) Additions to Fleet include ₹ 8995 lakhs (Previous year ₹ 37631 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy No. 1.2(b)

(2) Buildings include cost of Shipping House at Mumbai ₹ 134 lakhs (31st March 2016, ₹ 134 lakhs and 31st March 2015, ₹ 134 Lakhs) which is on leasehold land wherein the value of lease is considered at Re 1.

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

Note 5: Capital Work-in-Progress

Particulars	As at April 1, 2015	Incurred during the year	Capitalised/ Adjusted	As at March 31,2016	Incurred during the year	Capitalised/ Adjusted	As at March 31,2017
(A) Construction Work in Progress							
Asset under Construction excluding advance	43,152	-	43,152	-	2,733	-	2,733
(B) Costruction Period Expenses							
a. Interest	1,747	-	1,747	-	-	-	-
b. Other directly attributable expenses	352	-	352	-	-	-	-
c. Exchange fluctuation	3,843	-	3,843	-	-	-	-
Total(A+B)	**49,094**	**-**	**49,094**	**-**	**2,733**	**-**	**2,733**

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(All amounts in INR lakhs, unless otherwise stated)

Note 6: Intangible assets

Particulars	Computer Software	Total
Year ended 31 March 2016		
Gross carrying amount		
Deemed cost as at 1 April 2015	1,225	1,225
Additions	54	54
Closing gross carrying amount	**1,279**	**1,279**
Accumulated amortisation	-	-
Amortisation charge for the year	1,233	1,233
Closing accumulated amortisation	**1,233**	**1,233**
Closing net carrying amount	**46**	**46**
Year ended 31 March 2017		
Gross carrying amount		
Opening gross carrying amount	1,279	1,279
Closing gross carrying amount	**1,279**	**1,279**
Accumulated amortisation		
Opening accumulated amortisation	1,233	1,233
Amortisation charge for the year	40	40
Closing accumulated amortisation	**1,273**	**1,273**
Closing net carrying amount	**6**	**6**

Note 7: Financial assets

Note 7(a): Non-current investments

Particulars	Face value	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		No. of shares/ Units	₹ in lakhs	No. of shares/ Units	₹ in lakhs	No. of shares/ Units	₹ in lakhs
Investment in equity instruments (fully paid-up)							
Unquoted							
(i) Investment carried at cost							
In Subsidiary							
Inland & Coastal Shipping Limited	₹ 10	50000	5		-		-
In Joint Venture							
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 1) Ltd.	2.33 Euro	2908	3	2908	3	2908	3
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.	2.33 Euro	2908	3	2908	3	2908	3
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.	1 USD	2600	1	2600	1	2600	1
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Ltd.	1 USD	11036558	7,352	4268732	2,721	2107612	1,289
1,00,000 shares of ₹ 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.	₹ 10					100000	10
(ii) Investment carried at fair value through Profit or loss							
5,00,00,000 (Prev. yr. 5,00,00,000) Ordinary Shares of ₹ 10 each fully paid of Sethusamudram Corp. Ltd.	₹ 10		5,000		5,000		5,000
Less: Loss allowance			5,000		5,000		5,000
			-		-		-
3438 Equity Shares of ₹ 20/- each of Scindia Steam Navigation Company Ltd., fully paid (₹ 0.30 lakhs ; Prev. yr. ₹ 0.30 lakhs)	₹ 20	3438	-	3438	-	3438	-

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		No. of shares/ Units	₹ in lakhs	No. of shares/ Units	₹ in lakhs	No. of shares/ Units	₹ in lakhs
Less: Loss allowance			-		-		-
			-		-		-
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd.	Rs 10	60000	99	60000	99		-
Total (equity instruments)			**7,463**		**2,827**		**1,306**
Total non-current investments			**7,463**		**2,827**		**1,306**
Aggregate amount of unquoted investments			12,463		7,827		6,306
Aggregate amount of impairment in the value of investments			5,000		5,000		5,000
Investments carried at cost			7,364		2,728		1,306
Investments carried at fair value through Profit and Loss			99		99		-

(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.

(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.

(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. However, M/s Petronet LNG Ltd (PLL), the Charterer had acquired a stake of 26% on 14th February, 2017 for which MOL and K line had foregone 10.33% and 15.67% respectively.The Joint Venture owns and operates Vessel Prachi of about 173,000 CBM and is under 19 year Time Charter Agreement with PLL. The vessel was delivered in November 2016 at Ulsan and is operating from Barrow Islands, Australia to Dahej, India.

(E) "Inland and Coastal Shipping Limited" is wholly owned subsidiary company incorporated in India on 29th September 2016.

(F) 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.Consequently the investment has been transferred to "Assets held for sale" during FY 15-16.

Note 7(b): Loans

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Unsecured, considered good						
Loans to related parties	26,398	23	28,607	23	29,064	23
Loans to employees	340	1,467	271	1,500	357	1,198
Total loans	**26,738**	**1,490**	**28,878**	**1,523**	**29,421**	**1,221**

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(All amounts in INR lakhs, unless otherwise stated)

Note 7(c): Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Earmarked Balance with Bank towards unpaid dividend	27	46	53
Margin money for Bank Guarantee	14	14	14
Other Deposits with banks*	80,401	78,804	114,294
Total Bank balances other than cash and cash equivalents	**80,442**	**78,864**	**114,361**

*Refer Note 32 for Deposits pledged with banks for Borrowings

*Fixed deposit includes unutilised funds of FPO as on 31st March 2017 is ₹ 29,628 lakhs (as on 31st March 2016 ₹ 33,065 lakhs).

Note 7(d): Other financial assets

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial Assets carried at amortised cost						
Advances recoverable in cash						
- From Related Parties (Refer Note No. 29 for details)						
Interest Receivable	305	-	15	-	15	-
Bank deposits with more than 12 months maturity	-	-	-	-	-	
- Term Deposits	-	20	-	79	-	1
Receivable from Subsidiary-ICSL Ltd.	9	-		-		-
Income accrued on deposits/investments	2,564	-	1,949	-	2,076	-
Claim Recoverable	1,310	-	772	-	1,571	-
Security Deposits Unsecured - Considered Good	241	-	189	-	183	-
Unbilled Revenue	11,533	-	7,317	-	7,876	-
Others	231	-	14	-	14	-
Total other financial assets	**16,193**	**20**	**10,256**	**79**	**11,735**	**1**

Note 7(e): Current investments

Particulars	Face value	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
Investment carried at fair value through profit or loss							
Unquoted							
(a) Investment in equity instruments (fully paid-up)							
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.)	1USD	295,029	-	295,029	-	295,029	-
500 (Prev.yr.500) shares of ₹ 10 each fully paid up of Jaladhi Shipping Services (India) Pvt. Ltd. (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)	₹ 10	500	-	500	-	500	-
Total(Equity instruments)			-		-		-
(b) Investments in Mutual Funds							
3,73,327.494 Units of UTI Money Market Fund - Institutional Plan - Direct Plan - Daily Dividend Reinvestment			-	373,327.494	3,746	764,343.203	7,669
Total (mutual funds)					**3746**		**7669**
Total current investments			**-**		**3,746**		**7,669**
Aggregate amount of quoted investments and market value thereof			**-**		**-**		**-**

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Particulars	Face value	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
Aggregate amount of unquoted investments			-		3,746		7,669
Aggregate amount of impairment in the value of investments			-		-		-
Investments carried at fair value through Profit and Loss			**-**		**3,746**		**7,669**

Note 7(f): Trade receivables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade Receivable*	82,561	86,464	93,591
Less: Allowance for doubtful debts	16,690	18,281	20,273
Total receivables	**65,871**	**68,183**	**73,318**
Current Portion	65,871	68,183	73,318
Non Current Portion	-	-	-

Break up of above details

Particulalrs	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good	70,945	75,530	83,171
Unsecured, considered Doubtful	11,616	10,934	10,420
Total	**82,561**	**86,464**	**93,591**
Less: Allowance for doubtful debts	16,690	18,281	20,273
Total trade Receivables	**65,871**	**68,183**	**73,318**

*Significant Receivables from related parties (refer note 29)

Note 7(g): Cash and cash equivalents

Particulars	As at 31 March 2017	As at31 March 2016	As at 1 April 2015
Balances with banks			
- in current accounts	8,007	8,423	9,732
- interbank Transfer	-	-	1
- in deposits account with original maturity of less than three months	49,114	41,250	1,511
Cash on hand	3	9	9
Total cash and cash equivalents	**57,124**	**49,682**	**11,253**

Note 8: Income Tax Assets(net)

Particulars	As at 31 March 2017	As at31 March 2016	As at 1 April 2015
Income Tax Assets(Net) *	11894	10493	6849
Total Income Tax Assets(Net)	**11,894**	**10,493**	**6,849**

* Refer Note no. 28 for further details

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 9: Other assets

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances						
Advances to suppliers	-	-	-	-	-	8,344
Advances to employees						
i) Secured, Considered Good	-	-	-	-	-	-
ii) Unsecured, Considered Good	353	-	806	-	364	-
	353	-	806	-	364	-
Advances to Others						
i) Unsecured, Considered Good	6,311	-	9,559	-	8,274	-
ii) Unsecured, Considered Doubtful	1,393	-	1,404	-	1,339	-
	7,704	-	10,963	-	9,613	-
Less : Provision for Doubtful Advances	1,393	-	1,404	-	1,339	-
	6,311	-	9,559	-	8,274	-
(b) Others						
Excess - Gratuity Fund	-	5,357	-	4,436	-	5,578
Balances with statutory authorities						
- Cenvat Credit Receivables	3,794	-	7,701	-	4,616	-
- VAT receivable	-	-	-	-	-	-
- Service tax paid under Protest	-	2,925	-	767	-	767
- Advance Service Tax	1,518	-	1,064	-	-	-
- Others	1,355		-	-	-	
	6,667	2,925	8,765	767	4,616	767
MAT Credit						
Opening						
Add : Credit during the year	1,132	-	2,450	-	-	-
Less : MAT Credit Availed	1,132	-	2,450	-	-	-
	-	-	-	-	-	-
Subsidy for Passenger service (Myanmmar)	470	-	-	-	-	-
Prepaid Expenses	403	-	602	-	312	-
Others	1	823	1	832	-	709
Total other assets	**14,205**	**9,105**	**19,733**	**6,035**	**13,566**	**15,398**

Note 10: Inventories

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fuel Oil	11,521	8,558	8,646
Stores and spares	-	-	547
Total inventories	**11,521**	**8,558**	**9,193**

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

Note 11: Assets classified as held for sale

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fleet and Container held for Sale	683	28	31
Investment held for Sale			
1,00,000 (Prev.yr.1,00,000) shares of ₹ 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.	10	10	-
Less: Impairment loss allowance	3	3	-

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	7	7	-
Irano Hind Shipping Co. Ltd.	39	39	39
Less: Impairment loss allowance	39	-	-
	-	39	39
Total assets held for sale	**690**	**74**	**70**

a) 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). It has been decided by the joint venture partners to dissolve this Company. Under Ind AS, investment in Irano Hind has been written off during FY 16-17 to reflect its fair value.

b) 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. Under Ind AS, investment in SSSPL has been written down during FY 15-16 to reflect its fair value.

Non-recurring fair value measurements

Investments classified as held for sale during the reporting period is measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of ₹ 42 (Previous.year ₹ 3) as impairment loss in the statement of profit and loss. The fair value of the investments were determined using the book value approach. This is a level 3 measurement as per the fair value hierarchy as set out in fair value measurement disclosures (refer note 34).

Note 12: Equity Share capital

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
1,00,00,00,000 [31 March 2016: 1,00,00,00,000 and 1 April 2015: 1,00,00,00,000] Equity Shares of INR 10 each	100,000	100,000	100,000
Issued, subscribed and fully paid up			
46,57,99,010 [31 March 2016: 46,57,99,010 and 1 April 2015: 46,57,99,010] Equity Shares of INR 10 each	46,580	46,580	46,580
	46,580	**46,580**	**46,580**

a) Reconciliation of number of shares

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares :						
Balance as at the beginning of the year	465,799,010	4,657,990,100	465,799,010	4,657,990,100	465,799,010	4,657,990,100
Add: Bonus shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Balance as at the end of the year	**465,799,010**	**4,657,990,100**	**465,799,010**	**4,657,990,100**	**465,799,010**	**4,657,990,100**

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% of share holding	No. of shares	% of share holding	No. of shares	% of share holding
Equity shares						
1. President of India	296,942,977	63.75	296,942,977	63.75	296,939,920	63.75
2. Life Insurance Corporation of India	65,796,899	14.13	65,796,899	14.13	65,801,520	14.13
	362,739,876	**77.88**	**362,739,876**	**77.88**	**362,741,440**	**77.88**

(All amounts in INR lakhs, unless otherwise stated)

c) 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.

d) **Rights/Preference/Restriction attached to Equity Shares**

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

e) The Company does not have holding company.

f) There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.

Note 13: Other Equity

Reserves and surplus

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital reserve	14,298	14,298	14,298
Securities premium reserve	52,177	52,177	52,177
General reserve	552,777	543,727	404,827
Tonnage Tax Reserve	750	9,050	50
Tonnage Tax Reserve Utilised	-	-	138,900
Retained Earnings	20,156	6,516	(58,332)
Total reserves and surplus	**640,158**	**625,768**	**551,920**

(i) Capital reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	14,298	14,298
Closing Balance	**14,298**	**14,298**

(ii) Securities premium account

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	52,177	52,177
Closing Balance	**52,177**	**52,177**

(iii) General reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	543,727	404,827
Add: Transfer from Retained Earnings	-	-
Add: Transfer from Tonnage Tax Reserve (Utilised)	9,050	138,900
Closing Balance	**552,777**	**543,727**

(iv) Tonnage Tax Reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	9,050	50
Less: Transfer to Tonnage Tax Reserve (Utilised)	9,050	
Add: Transfer from Surplus in the Statement of Profit or Loss	750	9,000
Closing Balance	**750**	**9,050**

(All amounts in INR lakhs, unless otherwise stated)

(v) Tonnage Tax Reserve (Utilised)

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	-	138,900
Add: Transfer from Tonnage Tax Reserve	9,050	-
Less: Transfer to General Reserve	9,050	138,900
Closing Balance	**-**	**-**

(vi) Retained Earnings

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	6,516	(58,332)
Add: Profit for the year	13,552	75,329
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	838	(1,481)
Adjustments:		
Less: Tonnage Tax Reserve	750	9,000
Closing Balance	**20,156**	**6,516**

Nature and Purpose of other reserves

Capital Reserve: The amount of sales proceeds in excess of original cost of ships sold by the Company. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

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.

(All amounts in INR lakhs, unless otherwise stated)

Note 14: Financial liabilities

Note 14(a): Long-term borrowings

Particulars		As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
		Non Current	Current*	Non Current	Current*	Non Current	Current*
Secured							
Term Loans:							
Rupee loans from banks	A	-	842	843	1,729	2,575	1,729
Foreign currency loans from banks	B	307,763	143,204	454,776	127,128	549,111	119,965
Total	C	**307,763**	**144,046**	**455,619**	**128,857**	**551,686**	**121,694**

Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	108,964	93,182	76,199	29,418

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

The carrying amounts of financial and non-financial assets pledged as security are disclosed in note 32.

Note 14(b): Other financial liabilities

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Financial Liablilities at amortised cost						
Security Deposits	1,038	38	959	9	884	41
Current maturities of long-term debt	144,046	-	128,857	-	121,694	-
Interest accrued but not due on borrowings	3,272	-	3,033	-	2,897	-
Unpaid Dividend	27	-	46	-	53	-
Others						
Other Deposits payable	428	-	348	-	334	-
Payable to Related Parties (refer note no. 29)	19,223	-	18,356	-	16,178	-
Employee related Liabilities	6,966	-	9,421	-	8,433	-
Others	4,279	-	2,510	-	3,050	-
Total other financial liabilities	**179,279**	**38**	**163,530**	**9**	**153,523**	**41**

14(c): Current borrowings

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured*			
from Banks repayable on demand	97,420	-	3,500
Current borrowings (as per Balance Sheet)	**97420**	**-**	**3,500**

*The carrying amounts of financial assets pledged as security are disclosed in note 32.

14(d): Trade payables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables			
i) Dues of Micro & Small Enterprises	1,585	515	547
ii) Others *	113,644	109,396	109,039
Total trade payables	**115,229**	**109,911**	**109,586**

* Significant Payable from related parties (refer note 29)

(All amounts in INR lakhs, unless otherwise stated)

Disclosure requirement under MSMED Act, 2006

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Principal amount remaining unpaid to suppliers at the end of the period	1,585	515	547
Interest accrued and due to suppliers on the above amount	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period	-	-	-
Interest paid to suppliers under the Act, (Other than Section 16)	-	-	-
Interest paid to suppliers under the Act, (Section 16)	-	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-	-
Interest accrued and remaining unpaid at the year end.	-	-	-

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 15: Deferred Tax Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax -upward valuation of PPE	34362	35163	36199
Deferred Tax Liabilities(Net)	**34,362**	**35,163**	**36,199**

Note 16: Other current liabilities

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Unearned Revenue	4,843		2,216		4,266	
Advances and Deposits	8,421	-	10,510	-	3,403	-
Others						
Employee Related Liabilities	1,743	-	1,992	-	1,023	-
Statutory dues	1,176	-	1,050	-	869	-
Others Current Liabilities	3	-	6	-	6	-
Subsidy for Passenger service (Myanmmar)	-	-	99	-	159	-
Total other current liabilities	**16,186**	**-**	**15,873**	**-**	**9,726**	**-**

Note 17: Provisions

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Employee Benefit Obligations						
Provision for gratuity	-	-	-	-	-	-
Provision for leave encashment	554	5,085	635	5,068	685	4,372
Post Retirement Medical Scheme	-	3,489	502	3,828	126	3,784
Pension	-	-	-	5,663	-	5,641
	554	**8574**	**1137**	**14559**	**811**	**13797**
Other Provisions						
Foreign Taxation*	-	-	1,440	-	1,440	-
Insurance & cargo claims**	414	-	974	-	829	-
Losses on unfinished voyage***	-	-	1,089	-	-	-
	414	**-**	**3,503**	**-**	**2,269**	**-**
Total	**968**	**8,574**	**4,640**	**14,559**	**3,080**	**13,797**

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Short term provision	As at 31st March 2016	Provided during the year	Utilised during the year	Amount reversed	As at 31st March 2017
Other Provisions					
Foreign Taxation*	1,440	-	-	1,440	-
Insurance & cargo claims**	974	1,416	1,972	4	414
Losses on unfinished voyage***	1,089	-	-	1,089	-
	3,503	**1,416**	**1,972**	**2,533**	**414**

* Represents provision of tax on freight earned outside India.
** Represents provision of amount payable/borne by the Company against Insurance & cargo claims.
***Represents estimated loss on unfinished voyage recognised in accounts.

Note 18: Revenue from operations

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Freight	244,582	277,019
Charter Hire	72,615	96,268
Demurrage	14,631	20,253
Contract Revenue:		
Core shipping activities	154	447
Incidental activities	4,927	4,011
Reimbursement of overheads	3,815	3,579
Total	**340,724**	**401,577**

Note 19: Other Operating Revenue

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Training & Consultancy fee	2,123	1,633
Sundry Receipts (Core)	54	52
Sundry Receipts (Incidental)	120	84
Excess Provisions & Unclaimed Credit Written Back	642	851
Recovery of Insurance & PI Claims	1,024	791
Total	**3,963**	**3,411**

Note 20: Other Income

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	7,557	8,690
b) Loans to Employees	174	160
c) Loans to Joint Venture (Refer Note no.29)	2,086	2,555
d) Others	827	6
Dividend From Mutual Fund	44	625
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	572	-
b) Sale of Other Fixed Assets	231	1,245
Profit on sale of investments	-	-
Profit on sale of bunker	74	-
Net gain on Foreign Currency Transaction / Translation	223	1,137
Income from Rescindment of Contracts	-	1,953
Gain or Loss on Fair valuation of investment	-	93
Reversal of Foreign Tax	1,338	-
Provision written back	1,323	-
Other Miscellaneous Income	74	15
Total	**14,523**	**16,479**

(All amounts in INR lakhs, unless otherwise stated)

Note 21: Cost of services rendered

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Direct Operating Expenses :		
Agency Fees	1,543	2,289
Brokerage	2,200	3,097
Commission	725	784
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses on Joint Sector Container Services (Net)	17,279	17,287
Marine, Light And Canal Dues	36,456	34,041
Fuel Oil (Net)	65,718	61,280
Water Charges	615	330
Hire of Chartered Steamers	43,288	50,190
Other Indirect Operating Expenses		
Transfer and Repatriation and Other Benefits	224	190
Stores & Spares *	16,197	16,261
Sundry Steamer Expenses	2,334	2,244
Repairs and Maintenance and Survey Expenses	18,700	12,113
Insurance and Protection , Indemnity Club Fees & Insurance Franchise	7,244	8,117
Provision for Off Hire Etc.	1,606	1,653
Total	**214,129**	**209,876**

*includes amount of ₹620 lakhs towards Served from India Scheme (SFIS).Under SFIS, Scrips received are utilised against the custom duty liability & SFIS scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant. Under this SFIS, Scrips received are utilised against the custom duty liability & SFIS scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

Note 22: Employee benefit expense

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A) Floating staff		
Wages, Bonus and Other Expenses on Floating Staff	30,713	31,422
Gratuity	110	(81)
Contribution to Provident Fund	315	318
B) Shore Staff		
Salaries, Wages, Bonus etc	12,961	15,191
Gratuity	25	(71)
Contribution to Provident & Other Funds	(10)	850
Contribution to Pension	1,393	870
C) Remuneration to Directors	258	201
Total	**45,765**	**48,700**

Note 23: Finance costs

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest on:		
- Rupee term loans	1,293	1,410
- Foreign currency loans	14,652	15,628
- Others	1,082	37
Other borrowing costs	188	112
Total	**17,215**	**17,187**

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(All amounts in INR lakhs, unless otherwise stated)

Note 24: Depreciation and amortisation expense

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on property, plant and equipment	56,566	52,992
Amortisation of Intangible Assets	41	1,233
Total	**56,607**	**54,225**

Note 25:Other expenses

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Power & Fuel	595	583
Rent	316	298
Repairs and Maintenance		
- Building	727	616
- Others	1,374	1,360
Insurance	85	90
Rates and Taxes	189	218
Auditors' Remuneration *(Detail in Note No. 25(a))	60	63
Establishment Charges	2,183	1,707
Advertisement & Publicity	394	246
Legal & professional	988	1,209
Postage,Telephone Telegram & Telex	139	17
Printing & stationery	156	158
Training, Seminar & Conference Fee	531	387
Travel & Conveyance	470	399
Directors' Sitting Fees	10	-
Directors' Travel Expenses	45	34
Debts / Advances written off	7	23
Interest and Penalties	36	1,756
Bank Charges	111	534
Service tax ineligble for CENVAT	261	3,462
CSR Expenditure**(Detail in Note no 25(b))	157	35
Provisions		
Provision for Doubtful Debts and Advances	(1,099)	(1,807)
Foreign Taxation	(4)	57
Provision for loss on unfinished voyage	-	1,089
Loss allowances on Financial Assets	39	3
Total	**7,770**	**12,537**

Note 25(a): Details of payments to auditors

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Payment to auditors		
Statutory auditors		
a) Audit fees	31	32
b) Certification Work	22	27
c) Travelling & Out of Pocket Expenses	7	4
Total	**60**	**63**

(All amounts in INR lakhs, unless otherwise stated)

Note 25(b): Corporate social responsibility expenditure

31 March 2017	
Particulars	**Total**
Gross amount required to be spent by the Company during the year	319
Amount spent and paid during the year on (a) Construction/acquisition of any asset (b) On purpose other than (a) above	 135 22
Total	**157**

31 March 2016	
Particulars	**Total**
Gross amount required to be spent by the Company during the year	-
Amount spent and paid during the year on (a) Construction/acquisition of any asset (b) On purpose other than (a) above	 23 12
Total	**35**

Note 26: Earnings per share

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company (A)	13,552	75,328
Basic and Diluted earnings per share attributable to the equity holders of the company (A/B)	2.91	16.17

Particulars	31 March 2017 No. of shares	31 March 2016 No. of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (B)	465,799,010	465,799,010

Note 27: Contingent Liabilities and Commitments

(a) Contingent Liabilities

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I.	**Claims against the company not acknowledged as debts**			
	A. Legal cases towards Claim against Dry Dock	5100	4881	4662
	B. Cargo loss,Freight,Demurrage,Slot payments, Fuel cost other operational claims and custom duty disputed demab	19986	30523	5083
	C. Disputed demand of Statutory Dues			
	a) Income Tax & Sales Tax	19306	19306	18970
	b) Service Tax	163056	97108	2
II.	**Guarantees given by the Banks**			
	On behalf of the company	3352	4907	4745
	On behalf of Joint Venture to the extent of the company's share	6197	7183	6735
III.	**Undertaking cum Indemnity given by Company**	nil	nil	nil
IV.	**Cargo claims covered by P&I Club**	78	4779	8396
V.	**Bonds/Undertakings given by the Company to Customs Authorities**	28756	28341	25635
VI.	**Corporate Guarantees/Undertakings**			
	a) In respect of Joint ventures	Not Ascertained	Not Ascertained	Not Ascertained
	b) Others	3616	3957	5820

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(All amounts in INR lakhs, unless otherwise stated)

(b) Commitments

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I.	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	30456	nil	68
II.	Uncalled liability on shares and other investments partly paid	nil	nil	nil
III.	Other Commitments in the form of equity share with JVS	nil	5,017	6,449

Note 28: Income taxes

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

(a) Deferred Tax

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax relates to the following:			
Upward fair valuation of PPE	34,362	35,163	36,199
Net Deferred Tax Liabilities	**34,362**	**35,163**	**36,199**

(b) Movement in deferred tax liabilities

Particulars	March 31, 2017	March 31, 2016
Opening balance as of April 1	**35,163**	**36,199**
Tax income/(expense) during the period recognised in profit or loss	(801)	(1,036)
Closing balance as at March 31	**34,362**	**35,163**

(c) Income tax recognised in profit or loss

Particulars	31 March 2017	31 March 2016
Income tax expense		
Current tax		
Current tax on profits for the year	6,105	7,100
Deferred tax	(801)	(1,036)
MAT Credit adjusted	(1,132)	(2,450)
Income tax expense	**4,172**	**3,614**

(d) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2017	31 March 2016
Profit before income tax expense	17,724	78,942
Less: Income subject to tonnage taxation	2,666	26,904
Profit before tax, adjusted	**15,058**	**52,038**
Tax computed using statutory tax rate of 34.61 %	5,211	18,009
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Impact of tonnage tax scheme	1,086	1,076
Exempt income - Dividend from mutual funds	(15)	(216)
Deferred tax not recognised due to tonnage tax scheme	-	(12,654)
MAT credit utilised for the year	(1,132)	(2,450)
Reversal of Deferred Tax Liability	(801)	(1,036)
Others	(177)	884
Income tax expense	**4,172**	**3,614**

(All amounts in INR lakhs, unless otherwise stated)

Basis of applicable tax rate :

Normal Tax rate	30%
Surcharge	12%
Secondary and higher education cess	3%
Applicable Tax rate	**34.61%**

(e) Current tax liabilities

Particulars	31 March 2017	31 March 2016
Opening balance	-	-
Add: Current tax payable for the year	6,105	7,100
Less: Taxes paid	(6,105)	(7,100)
Closing balance	**-**	**-**

Note 29: Related party transactions

(a) Control

Government of India enterprises controlled by Central Government

(b) Subsidiaries

Inland & Coastal Shipping Ltd. is the 100 percent Subsidiary formed during 2016-17

(c) Joint Venture Companies

1. Irano Hind Shipping Co. Ltd.
2. India LNG Transport Co. (No. 1) Ltd.
3. India LNG Transport Co. (No. 2) Ltd.
4. India LNG Transport Co. (No. 3) Ltd.
5. India LNG Transport Co. (No. 4) Ltd.
6. SAIL SCI Shipping Pvt. Ltd.

(d) Key Management Personnel

Executive Director

1. Shri A.K.Sharma(W.e.f 12.09.2016)
2. Shri B.B. Sinha
3. Shri S.Narula
4. Shri S.V Kher (W.e.f 01.10.2015)
5. Smt H.K. Joshi
6. Shri K.Devadas (Retired on 28.02.2017)
7. Shri A.K. Gupta (Retired on 31.12.2015)
8. Shri S.Thapar (Retired on 30.09.2015)
9. Shri Dipankar Haldar

Non Executive Director

1. Shri Sanjeev Ranjan (ceases to be on the Board of SCI w.e.f. 13.01.2017)
2. Shri Barun Mitra (ceases to be on the Board of SCI w.e.f. 02.03.2017)
3. Shri Pravir Krishn (W.e.f. 03.03.2017)
4. Shri Arun Balakrishnan
5. Shri Sukamal Chandra Basu

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(All amounts in INR lakhs, unless otherwise stated)

Key management personnel compensation

Name	Short-term employee benefits		Post-employment benefits		Long-term employee benefits		Employee share-based payment	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
1. Shri A.K.Sharma(W.e.f 12.09.2016)	15	-	2	-	-	-	-	-
2. Shri B.B. Sinha	36	28	18	2	-	-	-	-
3. Shri S.Narula	28	28	18	2	-	-	-	-
4. Shri S.V Kher(W.e.f 01.10.2015)	30	14	17	1	-	-	-	-
5. Smt H.K. Joshi	26	25	7	2	-	-	-	-
6. Shri K.Devadas (Retired on 28.02.2017)	47	26	17	2	-	-	-	-
7. Shri A.K. Gupta (Retired on 31.12.2015)	-	47	-	2	-	-	-	-
8. Shri S.Thapar (Retired on 30.09.2015)	-	32	-	1	-	-	-	-
9. Shri Dipankar Haldar	26	23	17	2	-	-	-	-
Total	**210**	**224**	**95**	**16**	-	-	-	-

Note :- As the liabilities for gratuity and leave encashment are provided on actuarial basis for the company as a whole the amounts pertaining to Key management personnel compensation are not included in the above table.

(e) Transactions with JVS and Outstanding Balances

Nature of Transactions		31 March 2017	31 March 2016
1)	Interest Income	2,086	2,555
2)	Interest receivable	305	15
3)	Expenses Reimbursed	77	77
4)	Management & Accounting fees earned	1,476	1,305
5)	Guarantee fees received	61	58
6)	Interest Charged	(1,221)	1,221
7)	Investment made during the year	4,631	1,432
8)	Loans realised during the year	2,155	2,317
9)	Guarantees Given for JVS	6,197	7,183
10)	Loans Given during the year	386	-
11)	Interest amount compounded in to principal	47	175
	Outstanding Balances		
1)	Investments	7,408	2,777
2)	Loan Balances	26,421	28,630
3)	Payable on account of Ship	19,223	18,356

(f) Transactions with Subsidiary

Nature of Transactions	31 March 2017	31 March 2016
Investment made during the year/at the year end	5	-
Expenses incurred on behalf	9	-
Receivable as at year end	9	-

(All amounts in INR lakhs, unless otherwise stated)

(g) Transactions with Government related entities

Significant Transactions

Particulars	Entity 1		Entity 2		Entity 3		Entity 4	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Revenue	46,038	50,909	71,232	88,139	22,559	33,512	17,880	28,089
Purchases	9,962	7,378	8,738	6,898	3,080	4,741	-	-
Trade Receivable	3,367	9,925	3,371	11,354	2,245	2,165	15,847	8,241
Trade Payable	157	349	387	91	171	212	-	-

Other than Significant Transactions

Particulars	31 March 2017	31 March 2016
Revenue	60,165	37,777
Purchases/services	8,775	2,312
Trade Receivable	5,292	6,336
Trade Payable	15,862	15,957

Transactions with other government-related entities

Apart from the transactions disclosed in (g) above, the Company also conducts business with other government related entities. The Company has bank deposits, borrowings and other general banking relations with PSU banks. Other than the substantial amount of bank balances, bank borrowings and the facilities with these banks, transactions with other government related entities are individually insignificant.

(h) Other transactions with related parties

The following transactions occurred with related parties:

	31 March 2017	31 March 2016
Sitting Fees	10	-

Note 30: Segment information

(a) Business Segments

The Company is managed by the Board which is the chief decision maker. The Board has determined the operating segments based on the pattern of vessels deployed by the Company, for the purposes of allocating resources and assessing performance.

(I) **Liner**

Liner segment includes break-bulk, container transport, passenger vessels & research vessels managed on behalf of other organisations.

(II) **Bulk**

Bulk Carriers include dry bulk carriers.

(III) **Tanker**

Tankers segment includes both crude and product carriers, gas carriers, phosphoric acid carriers.

(IV) **T&OS**

Technical & Offshore services segment includes company owned offshore vessels, offshore vessels managed on behalf of other organisations and income from technical consultancy.

(V) **Others**

Others segment include income earned from Maritime Training Institute.

(VI) **Unallocated**

Unallocable items and interest income/expenses are disclosed separately.

Expense and Revenue items are allocated vessel wise wherever possible. Expenses and 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 higher.

(All amounts in INR lakhs, unless otherwise stated)

(b) Geographical Segments

Presently, the Company's operations are predominantly confined in India.

(c) Adjusted Earnings before Interest & Tax (EBIT)

Adjusted EBIT excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

EBIT	31 March 2017	31 March 2016
Liner	(9,554)	(13,495)
Bulk	(20,425)	(15,640)
Tanker	46,591	97,458
T&OS	2,989	13,480
Others	1,329	1,006
Unallocated	3,365	1,909
Total adjusted EBIT	**24,295**	**84,718**

Adjusted EBIT reconciles to profit before income tax as follows:

	31 March 2017	31 March 2016
Total adjusted EBIT	24,295	84,718
Finance costs	17,215	17,187
Interest income from investments	10,644	11,411
Profit before income tax from continuing operations	**17,724**	**78,942**

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Revenue from external customers	31 March 2017			31 March 2016		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	44,590	-	44,590	52,129	-	52,129
Bulk	20,641	-	20,641	22,788	-	22,788
Tanker	258,011	-	258,011	294,788	-	294,788
T&OS	19,582	-	19,582	33,952	-	33,952
Others	1,863	-	1,863	1,331	-	1,331
Total Segment Revenue	344,687	-	344,687	404,988	-	404,988
Unallocated	3,879		3,879	5,068		5,068
Total segment revenue as per profit and loss	**348,566**	**-**	**348,566**	**410,056**	**-**	**410,056**

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(All amounts in INR lakhs, unless otherwise stated)

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2017 and 31st March 2016 were as follows:

Reveneue from external customers	31 March 2017			31 March 2016		
	Tanker segemnt	Liner Segment	Total	Tanker segemnt	Liner Segment	Total
Customer 1	71,164	68	71,232	87,961	178	88,139
Customer 2	45,439	599	46,038	50,226	683	50,909
Customer 3	35,953	-	35,953	-	-	-

The company is domiciled in India. The amount of its revenue from external customers (exceeding 5%) broken down by location of the customers is shown in the table below:

Revenue from external customers	31 March 2017	31 March 2016
India	262,665	289,237
Singapore	30,216	22,138
Other Countries	51,806	93,613
Total	**344,687**	**404,988**

(e) Segment assets

Segment	31 March 2017		31 March 2016		1 April 2015	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	56,023	-	46,343	-	63,896	-
Bulk	175,174	-	183,100	-	178,903	-
Tanker	662,388	-	705,685	-	692,967	-
T & OS	147,587	-	131,193	-	133,650	-
MTI	746	-	580	-	179	-
Total segment assets	**1,041,918**	**-**	**1,066,901**	**-**	**1,069,595**	**-**
Unallocated	404,639	-	404,751	-	410,043	-
Total assets as per the Balance Sheet	**1,446,557**	**-**	**1,471,652**	**-**	**1,479,638**	**-**

(f) Segment liabilities

Segment	31 March 2017	31 March 2016	1 April 2015
Liner	78,132	81,068	80,988
Bulk	18,230	10,494	(1,216)
Tanker	74,701	69,406	45,838
T&OS	26,601	16,452	14,560
MTI	577	473	235
Total segment liabilities	**198,241**	**177,893**	**140,405**
Unallocated:	561,578	621,411	740,733
Total liabilities as per the Balance Sheet	**759,819**	**799,304**	**881,138**

(All amounts in INR lakhs, unless otherwise stated)

Note 31: Employee Benefit Obligations

(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) Gratuity

Balance Sheet amount (Gratuity Plan)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2015	**10,426**	**16,003**	**(5,577)**
Current service cost	476	-	476
Interest expense/(income)	668	1,361	(693)
Total amount recognised in profit and loss	**1,144**	**1,361**	**(217)**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		(185)	185
(Gain)/loss from change in financial assumptions	74	-	74
Experience (gains)/losses	(150)	-	(150)
(i) Amount recognised in other comprehensive income	(76)	(185)	109
Benefit payments	(1,457)	(1,457)	-
(ii) 31/03/2016	**10,037**	**15,722**	**(5,685)**
(iii) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling	-	(1,250)	1,250
Total amount recognised in other comprehensive income [(i) & (iii)]	**(76)**	**(1,435)**	**1,359**
Closing Balance Sheet (Asset) / Liability as on 31 March 2016 [(ii) & (iii)]			**(4,435)**

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2016	10,037	15,722	(5,685)
Current service cost	513	-	513
Interest expense/(income)	738	1,184	(446)
Total amount recognised in profit and loss	**1,251**	**1,184**	**67**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		246	(246)
(Gain)/loss from change in financial assumptions	425	-	425
Experience (gains)/losses	(962)	-	(962)
(i) Amount recognised in other comprehensive income	(537)	246	(783)
Benefit payments	(1,329)	(1,329)	-
(ii) 31 March 2017	**9,422**	**15,823**	**(6,401)**
(iii) Unrecognised Asset at the beginning of the period		1,250	1,250
(iv) Asset recognised during the year (Asset Celing)		1,042	1,042
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	208	(208)
Total amount recognised in other comprehensive income [(i) & (v)]	**(537)**	**454**	**(991)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2017 [(ii) + (iii)+ (v)]			**(5,359)**

For gratuity, the benefits are paid by the trust and are not debited to the profit & loss of the Company.

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	9,422	10,037	10,426
Fair value of plan assets	15,823	15,722	16,003
Deficit of funded plan	**(6,401)**	**(5,685)**	**(5,577)**
Unrecognised Asset due to Limit in Para 64(b)	1,042	1,250	-
Deficit of gratuity plan	**(5,359)**	**(4,435)**	**(5,577)**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the Balance Sheet date:

Financial Assumptions	**31-Mar-17**	**31-Mar-16**	**31-Mar-15**
Discount Rate	7.35%	7.85%	7.95%
Salary Escalation Rate	7.50%	7.50%	7.50%
Expected Return on Assets	7.35%	7.85%	9.00%
Demographic Assumptions	**31-Mar-17**	**31-Mar-16**	**31-Mar-15**
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	PS 0 - 42 years:-0.5%	PS 0 - 42 years:-0.5%	PS 0 - 42 years:-0.5%
Retirement Age	60 years	60 years	60 years
Timing Related Assumptions			
Time of Retirement	Immediately on achieving normal retirement		
Salary Increase frequency	Once a year		

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31-Mar-17	31-Mar-16
Defined Benefit Obligation (Base)	9422.00	10037.00

Sensitivity Analysis	31-Mar-17		31-Mar-16	
Table 14 : Sensitivity Analysis	Decrease	Increase	Decrease	Increase
Discount Rate	9901.00	8997.00	10558.00	9581.00
Impact of increase/decrease in 50 bps on DBO	5.08%	-4.51%	5.19%	-4.54%
Salary Growth Rate	9105.00	9780.00	9683.00	10445.00
Impact of increase/decrease in 50 bps on DBO	-3.37%	3.80%	-3.53%	4.06%

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	31-Mar-16 to 31-Mar-17	31-Mar-15 to 31-Mar-16
Unrecognised Asset, Beginning of Period	1250	-
Asset recognised during the year	1042	1250
Unrecognised Asset, End of Period	208	1250

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

Major category of plan assets are as follows

	31-Mar-17				31-Mar-16				1-Apr-15			
	Quoted	Un-quoted	Total	in %	Quoted	Un-quoted	Total	in %	Quoted	Un-quoted	Total	in %
Government of India Securities	6,644		6,644	42%	5,898		5,898	37%	5398		5,398	34%
Debt instruments												
Investment in Bonds	1,956		1,956	12%	3,872		3,872	25%	3853		3,853	24%
Other Assets including accrued interest	243	347	590	4%	42	404	446	3%		364	364	2%
Investment in Deposits including Bank Balance		6633	6,633	42%		5506	5,506	35%		6387	6,387	40%
Total	**8,843**	**6,980**	**15,823**	**100%**	**9,812**	**5,910**	**15,722**	**100%**	**9,251**	**6,751**	**16,002**	**100%**

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

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.

Actual Return on plan assets ₹ 1430 lakh (Prev. period ₹ 1176 lakhs)

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility :

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. The Company intends to maintain the above investment mix in the continuing years.

Changes in bond yields :

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(All amounts in INR lakhs, unless otherwise stated)

Life expectancy :

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Contribution expected to be paid in the next year is Nil.

The weighted average duration of the defined benefit obligation is 17.78 years (2016 – 17.85 years).

(C) Leave Encashment (Unfunded)

Balance Sheet amount (Leave Encashment)

Particulars	Present value of obligation
1 April 2015	5,057
Current service cost	322
Interest expense/(income)	335
Actuarial (Gain)/loss from change in financial assumptions	42
Actuarial - Experience (gains)/losses	1,624
Total amount recognised in profit and loss	2,323
Benefit payments*	(1,678)
31 March 2016	**5,702**

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

Particulars	Present value of obligation
31 March 2016	5,702
Current service cost	347
Interest expense/(income)	358
Actuarial (Gain)/loss from change in financial assumptions	215
Actuarial - Experience (gains)/losses	1,301
Total amount recognised in profit and loss	**2,221**
Benefit payments	(2,285)
31 March 2017	**5,638**

The net liability disclosed above relates to unfunded plan are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of unfunded obligations	5,638	5,702	5,057
Deficit of leave encashment plan	**5,638**	**5,702**	**5,057**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the Balance Sheet date:

Financial Assumptions	31-Mar-17	31-Mar-16	31-Mar-15
Discount Rate	7.35%	7.85%	7.95%
Salary Escalation Rate	7.00%	7.50%	7.50%
Demographic Assumptions	**31-Mar-17**	**31-Mar-16**	**31-Mar-15**
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	PS 0 - 42 years:- 0.5%	PS 0 - 42 years:- 0.5%	PS 0 - 42 years:- 0.5%
Retirement Age	60 years	60 years	60 years

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Timing Related Assumptions	
Time of Retirement	Immediately on achieving normal retirement
Salary Increase frequency	Once a year

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31-Mar-17		**31-Mar-16**	
Defined Benefit Obligation (Base)	5,638		5,702	
Sensitivity Analysis	**31-Mar-17**		**31-Mar-16**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate	5869	5424	5925	5495
Impact of increase/decrease in 50 bps on DBO	4.09%	-3.81%	3.90%	-3.64%
Salary Growth Rate	5423	5868	5493	5924
Impact of increase/decrease in 50 bps on DBO	-3.82%	4.07%	-3.67%	3.89%

The weighted average duration of the defined benefit obligation is 17.78 years (2016 – 17.85 years).

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

(D) Post Retirement Medical Benefit Scheme

Balance Sheet amount (Post Retirement Medical Benefit Scheme)

Particulars	**Present value of obligation**
1 April 2015	2,030
Interest expense/(income)	156
Total amount recognised in profit and loss	156
Remeasurements	
Experience (gains)/losses	121
Total amount recognised in other comprehensive income	121
Benefit payments	(148)
31 March 2016	2,159

Particulars	**Present value of obligation**	**Fair value of plan assets**	**Net amount**
31 March 2016	2,159	-	2,159
Interest expense/(income)	150	-	150
Total amount recognised in profit and loss	150	-	150
Remeasurements			
Experience (gains)/losses	153	-	153
Total amount recognised in other comprehensive income	153	-	153
Employer contributions	-	1,482	(1,482)
Benefit payments	(147)	(147)	-
31 March 2017	2,315	1,335	980

(All amounts in INR lakhs, unless otherwise stated)

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	2,315	2,159	2,030
Fair value of plan assets	1,335	-	
Deficit of funded plan	**980**	**2,159**	**2,030**
Deficit of Post Retirement Medical Benefit Scheme plan	**980**	**2,159**	**2,030**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Financial Assumptions	31-03-17	31-03-16	31-Mar-15
Discount Rate	7.35%	7.85%	7.95%
Expected Return on Assets	7.35%	-	-
Demographic Assumptions	**31-03-17**	**31-03-16**	**31-03-15**
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult. (Improved by 2 years)	Indian Assured Lives Mortality (2006-08) Ult. (Improved by 2 years)	Indian Assured Lives Mortality (2006-08) Ult.
Timing Related Assumptions			
Time of Retirement	Immediately on achieving normal retirement		

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Sensitivity Analysis	31-03-17		31-03-16	
Defined Benefit Obligation (Base)	**2,315**		**2,159**	
Table 12: Sensitivity Analysis	**31-03-17**		**31-03-16**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate	**2,359**	**2,273**	**2,199**	**2,120**
Impact of increase/decrease in 50 bps on DBO	1.89%	-1.81%	1.87%	-1.79%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

Major category of plan assets are as follows

	31-Mar-17			
	Quoted	**Unquoted**	**Total**	**in %**
Investment in Deposits including Bank Balance	-	1326	1326	99%
Other Assets including accrued interest	-	9	9	1%
Total	**-**	**1,335**	**1,335**	**100%**

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

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.

Defined benefit liability and employer contributions :

Contribution expected to be paid in the next year is Nil.

The weighted average duration of the defined benefit obligation is 17.78 years (2016 – 17.85 years).

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(All amounts in INR lakhs, unless otherwise stated)

Note 32: Assets pledged as security

	Notes	31 March 2017	31 March 2016	1 April 2015
Current				
Financial Assets				
Other bank balances	**7(c)**	36,716	24,910	25,469
Total current assets pledged as security		**36,716**	**24,910**	**25,469**
Non-current				
Plant and Equipment	**4**	812,897	826,230	829,010
Total non-current assets pledged as security		**812,897**	**826,230**	**829,010**
Total assets pledged as security		**849,613**	**851,140**	**854,479**

Note 33: Offsetting Financial Assets and Financial Liabilities

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2017, March 31, 2016 and April 1, 2015. The column 'net amount' shows the impact on the Company's Balance Sheet if all set-off rights were exercised.

	Effects of offsetting on the Balance Sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the Balance Sheet	Net amount presented in the Balance Sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
March 31, 2017						
Financial assets						
i. Investments	7,463	-	7,463	-	-	7,463
ii. Trade receivables	65,871	-	65,871	-	-	65,871
iii. Cash and cash equivalents	57,124	-	57,124	-	-	57,124
iv. Bank balances other than (iii) above	80,442	-	80,442	-	36,716	43,726
v. Loans	28,228	-	28,228	-	-	28,228
vi. Other financial assets	16,213	-	16,213	-	-	16,213
Total	**255,341**	**-**	**255,341**	**-**	**36,716**	**218,625**
Financial liabilities						
i. Borrowings	405,183	-	405,183	-	-	405,183
ii. Trade payables Micro, Small and Medium Enterprises	1585	-	1585	-	-	1585
Others	113,644	-	113,644	-	-	113,644
iii. Other financial liabilities	179,317	-	179,317	-	-	179,317
Total	**699,729**	**-**	**699,729**	**-**	**-**	**699,729**
March 31, 2016						
Financial assets						
i. Investments	6,573	-	6,573	-	-	6,573
ii. Trade receivables	68,183	-	68,183	-	-	68,183
iii. Cash and cash equivalents	49,682	-	49,682	-	-	49,682
iv. Bank balances other than (iii) above	78,864	-	78,864	-	24,910	53,954
v. Loans	30,401	-	30,401	-	-	30,401
vi. Other financial assets	10,335	-	10,335	-	-	10,335
Total	**244,038**	**-**	**244,038**	**-**	**24,910**	**219,128**

(All amounts in INR lakhs, unless otherwise stated)

	Effects of offsetting on the Balance Sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the Balance Sheet	Net amount presented in the Balance Sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
Financial liabilities						
i. Borrowings	455,619	-	455,619	-	-	455,619
ii. Trade payables						
Micro, Small and Medium Enterprises	515	-	515	-	-	515
Others	109,396	-	109,396	-	-	109,396
iii. Other financial liabilities	163,539	-	163,539	-	-	163,539
Total	**729,069**	**-**	**729,069**	**-**	**-**	**729,069**
April 1, 2015						
Financial assets						
i. Investments	8,975	-	8,975	-	-	8,975
ii. Trade receivables	73,318	-	73,318	-	-	73,318
iii. Cash and cash equivalents	11,253	-	11,253	-	-	11,253
iv. Bank balances other than (iii) above	114,361	-	114,361	-	25,469	88,892
v. Loans	30,642	-	30,642	-	-	30,642
vi. Other financial assets	11,736	-	11,736	-	-	11,736
Total	**250,285**	**-**	**250,285**	**-**	**25,469**	**224,816**
Financial liabilities						
i. Borrowings	555,186	-	555,186	-	-	555,186
ii. Trade payables						
Micro, Small and Medium Enterprises	547	-	547	-	-	547
Others	109,039	-	109,039	-	-	109,039
iii. Other financial liabilities	153,564	-	153,564	-	-	153,564
Total	**818,336**	**-**	**818,336**	**-**	**-**	**818,336**

Note 34: Fair value measurements

Financial instruments by category

	31 March 2017			31 March 2016			1 April 2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments									
- Equity instruments	99	-	-	99	-	-	-	-	-
- Mutual funds	-	-	-	3,746	-	-	7,669	-	
- Government securities	-	-	-	-	-	-	-	-	-
Loans	-	-	28,228	-	-	30,401	-	-	30,642
Trade receivables	-	-	65,871	-	-	68,183	-	-	73,318
Cash and cash equivalents	-	-	57,124	-	-	49,682	-	-	11,253
Other bank balances	-	-	80,442	-	-	78,864	-	-	114,361
Bank deposits with more than 12 months maturity	-	-	20	-	-	79	-	-	1
Other financial assets	-	-	16,193	-	-	10,256	-	-	11,735
Total financial assets	**99**	**-**	**247,878**	**3,845**	**-**	**237,465**	**7,669**	**-**	**241,310**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2017			31 March 2016			1 April 2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities									
Borrowings	-	-	405,183	-	-	455,619	-	-	555,186
Trade payables	-	-	115,229	-	-	109,911	-	-	109,586
Current maturities of long term debt	-	-	144,046	-	-	128,857	-	-	121,694
Other financial liabilities	-	-	35,271	-	-	34,682	-	-	31,870
Total financial liabilities	**-**	**-**	**699,729**	**-**	**-**	**729,069**	**-**	**-**	**818,336**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements **At 31 March 2017**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Unquoted equity instruments	7(a)	-	-	99	99
Total financial assets		**-**	**-**	**99**	**99**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **At 31 March 2017**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)	-	-	23	**23**
Loans to others	7(b)	-	-	1467	**1,467**
Bank deposits	7(b)	-	20	-	**20**
Total financial assets		**-**	**20**	**1,490**	**1,510**
Financial Liabilities					
Borrowings	14(a)	-	451,809	-	**451,809**
Security deposits	14(b)	-	-	38	**38**
Total financial liabilities		**-**	**451,809**	**38**	**451,847**

Assets measured at fair value - recurring fair value measurements **At 31 March 2016**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	7 (e)	3,746	-	-	**3,746**
Financial Investments at FVTPL					
Unquoted equity instruments	7(a)	-	-	99	**99**
Total financial assets		**3,746**	**-**	**99**	**3,845**

(All amounts in INR lakhs, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)	-	-	23	**23**
Loans to others	7(b)	-	-	1500	**1,500**
Bank deposits	7(b)	-	79	-	**79**
Total financial assets		**-**	**79**	**1,523**	**1,602**
Financial Liabilities					
Borrowings	14(a)	-	584,713	-	**584,713**
Security deposits	14(b)	-	-	9	**9**
Total financial liabilities		**-**	**584,713**	**9**	**584,722**

Financial assets measured at fair value - recurring fair value measurements At 1 April 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	7 (e)	7,669	-	-	**7,669**
Total financial assets		**7,669**	**-**	**-**	**7,669**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)	-	-	23	**23**
Loans to others	7(b)	-	-	1198	**1,198**
Bank deposits	7(b)	-	1		**1**
Total financial assets		**-**	**1**	**1,221**	**1,222**
Financial Liabilities					
Borrowings	14(a)	-	673,259	-	**673,259**
Security deposits	14(b)	-	-	41	**41**
Total financial liabilities		**-**	**673,259**	**41**	**673,300**

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

There were no transfers between any levels during the year.

(All amounts in INR lakhs, unless otherwise stated)

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of closing NAV for investment in mutual funds
- the use of book values for investment in unlisted equity securities
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2017 and 31 March 2016:

Particulars	Unlisted Equity Securities
As at 1 April 2015	-
Acquisitions	6
Gains(losses) recognised in Statement of profit or loss	93
As at 31 March 2016	**99**
Acquisitions	-
Gains(losses) recognised in Statement of profit or loss	-
As at 31 March 2017	**99**

Particulars	Fair Value as at			Significant unobservable inputs	Sensitivity		
	31 March 2017	31 March 2016	1 April 2015		2017	2016	2015
Valuation inputs and relationship to fair value - Investment in Equity Securities held for sale (non recurring)	7	7	-	Net book values	Not applicable		
Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)	99	99	-	Net book values	Increase (decrease) in the book value would result in increase (decrease) in fair value		

(iv) Valuation processes

The finance department of the Company includes a team that along with treasury function performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Director(finance).

The main level 3 inputs used by the Company are derived and evaluated as follows:

- For unlisted equity securities, their fair values are estimated based on the book values of the investee companies.

(v) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to related parties	23	23	23	23	23	23
Loans to employee	1,467	1,467	1,500	1,500	1,198	1,198
Bank deposits	20	20	79	79	1	1
Total financial assets	**1,510**	**1,510**	**1,602**	**1,602**	**1,222**	**1,222**
Financial Liabilities						
Borrowings	451,809	451,809	584,476	584,713	673,380	673,259
Security deposits	38	38	9	9	41	41
Total financial liabilities	**451,847**	**451,847**	**584,485**	**584,722**	**673,421**	**673,300**

The carrying amounts of trade receivables, trade payables, short term security deposits, bank deposits with more than 12 months maturity, cash and cash equivalents including other bank balances and other current financial assets and liabilities are considered to be the same as their fair values.

The fair values of non-current borrowings (with floating rate of interest) is not impacted due to interest rate changes and will not be significantly different from their carrying amount as there is no significant change in the underlying credit risk of the Company's borrowings.

(All amounts in INR lakhs, unless otherwise stated)

The fair values of non-current borrowings (with fixed rate of interest) are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 35: Financial risk management

The Company has exposure to the Credit risk, Liquidity risk and Market risk.

The Company's Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(A) Credit Risk :

(i) Credit risk is the risk of financial loss to the Company, if a customer to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of a large number of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period. This credit period has been determined by considering the business environment in which the Company operates.

The Company considers dealing with creditworthy customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk due to above is periodically monitored. Based on the periodical analyses, the credit risk is managed by continuous review and follow-up.

(ii) Provision for expected credit losses : The Company provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simpified basis of recognition of expected credit losses in case of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. The aging has been done for bracket of 90 days over a period of last 3 years. Receivables that are more than 3 years old are considered uncollectible. Further, customers declaring bankruptcy or failing to engage in repayment plan with the Company, 100% provisioning is made i.e. such customers do not form part of this impairment exercise and provided for separately.

(iii) Reconciliation of Trade receivables :

Particulars	31 March 2017	31 March 2016	1 April 2015
Gross carrying amount of trade receivables	82,561	86,464	93,591
Less : Expected credit losses	13,512	15,448	17,498
Less : 100% provision made separately for bankrupt/terminated agents	3,178	2,833	2,775
Carrying amount of trade receivables (net of impairment)	**65,871**	**68,183**	**73,318**

(iv) Reconciliation of loss allowance provision - Trade receivables :

Particulars	Amount
Loss allowance on 1st April 2015	**17,498**
Changes in loss allowance	(2,050)
Loss allowance on 31st March 2016	**15,448**
Changes in loss allowance	(1,936)
Loss allowance on 31st March 2017	**13,512**

(B) Liquidity risk

(i) Prudent liquidity risk management refers to the management of the Company's short term and long term funding and liquidity management requirements. The Company's treasury maintains flexibility in funding by maintaining availability of funds under committed credit lines. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(ii) Maturities of financial liabilities

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings include both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

Contractual maturities of financial liabilities 31 March 2017	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	212,900	347,241	4,204	564,345
Trade payables	115,229	-	-	115,229
Security and other deposits	1,038	38	-	1,076
Others financial liabilities	34,195	-	-	34,195
Total liabilities	**363,362**	**347,279**	**4,204**	**714,845**

Contractual maturities of financial liabilities 31 March 2016	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	143,473	455,958	27,911	627,342
Trade payables	109,911	-	-	109,911
Security and other deposits	959	9	-	968
Others financial liabilities	33,714	-	-	33,714
Total non-derivative liabilities	**288,057**	**455,967**	**27,911**	**771,935**

Contractual maturities of financial liabilities 1 April 2015	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	136,653	484,690	105,809	727,152
Trade payables	109,586	-	-	109,586
Security and other deposits	884	41	-	925
Others financial liabilities	30,945	-	-	30,945
Total non-derivative liabilities	**278,068**	**484,731**	**105,809**	**868,608**

(C) Market risk

Market risk is the risk that changes in market indicators such foreign exchange rates, interest rates and commodity prices will affect the Company's income or the value of its financial instruments. The Company's activities mainly expose it to risks arising from changes in foreign exchange rate and interest rate and freight/charter hire rates.

(i) Foreign currency risk

The Company operates vessels in foreign waters, earns revenues and incurs expenditure in foreign currencies, primarily with respect to USD, EURO and certain other foreign currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

Considering the business environment in which Company operates, exposure to foreign exchange rate risk is largely managed by collection of income in foreign currencies in short term bank accounts abroad.

(All amounts in INR lakhs, unless otherwise stated)

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	31 March 2017			31 March 2016			31 March 2015		
	USD	EUR	Others	USD	EUR	Others	USD	EUR	Others
Financial assets									
Current assets	917	-	87	381	-	134	695	10	62
Current Loans & Advances	17,902	-	-	19,480	-	-	21,664	-	-
Cash and cash equivalents	2,099	648	424	5,799	15	599	4,111	495	889
Trade Receivables	24,113	5,261	9,561	27,948	5,226	11,003	32,429	7,114	10,923
Exposure to foreign currency risk (assets)	**45,031**	**5,909**	**10,072**	**53,608**	**5,241**	**11,736**	**58,899**	**7,619**	**11,874**
Financial liabilities									
Long Term (Non-Current) Borrowings	307,763	-	-	454,776	-	-	549,111	-	-
Current maturities of long term borrowings	143,204	-	-	127,128	-	-	119,965	-	-
Other current Liabilities	4,512	46	1	4,178	49	1	4,680	44	19
Short Term Borrowings	77,820	-	-	-	-	-	-	-	-
Trade Payables	73,269	4,320	9,940	73,257	4,883	6,394	68,492	4,035	6,469
Exposure to foreign currency risk (liabilities)	**606,568**	**4,366**	**9,941**	**659,339**	**4,932**	**6,395**	**742,248**	**4,079**	**6,488**

(b) Sensitivity

The following table details the Company's sensitivity to a 5% increase/ decrease in INR as against USD and 1% increase / decrease in INR as against EUR. The sensitivity analysis includes only foreign currency denominated monetary items.

	Impact on profit after tax	
	31 March 2017	31 March 2016
USD sensitivity		
INR/USD -Increase by 5% (31 March 2016- 7%)	(28,077)	(42,401)
INR/USD -Decrease by 5% (31 March 2016- 7%)	28,077	42,401
EUR sensitivity		
INR/EUR -Increase by 1% (31 March 2016- 3%)	15	9
INR/EUR -Decrease by 1% (31 March 2016- 3%)	(15)	(9)

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its interest rate risk by regularly monitoring the interest rate movement and deciding on type of interest rate i.e. fixed or fluctuating.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2017	31 March 2016	1 April 2015
Variable rate borrowings	533,080	587,256	675,512
Total borrowings at variable rate	**533,080**	**587,256**	**675,512**

(b) Sensitivity

The sensitivity analysis has been determined based on the exposure to interest rate risk on the borrowings outstanding as at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year with a 100 basis point increase or decrease.

	Impact on profit after tax	
	31 March 2017	31 March 2016
Interest rates – increase by 100 basis points (100 bps)	(5,331)	(5,873)
Interest rates – decrease by 100 basis points (100 bps)	5,331	5,873

(iii) Freight/Charter hire risk

Shipping industry is governed by various national and international economic and geopolitical developments. Local and international demand and supply determine freight and charter hire rates. Since company's vessels ply in international waters, it is affected by such developments. Also, bunker cost is major component of Company's cost structure and bunker prices are highly volatile.

Note 36: Capital management

(a) Risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as Long Term Borrowings (including current portion of Long Term borrowings as shown in the Balance Sheet).

Particulars	31 March 2017	31 March 2016	1 April 2015
Net Debt	451,809	584,476	673,380
Total Equity	686,738	672,348	598,500
Net debt to equity ratio	**0.66**	**0.87**	**1.13**

(b) Loan covenants

The Company has 12 ECB Loan Agreements wherein 10 of the agreements have a financial covenant of Debt Service Coverage Ratio (DSCR). The Company has not been able to meet the DSCR covenant. However the Company has given an alternate covenant of 'Minimum Cash Covenant' in lieu of the DSCR covenant in 4 of the loans and other 6 lenders have waived the DSCR default.

Note 37: Income/Expenses relating to previous years booked in 2016-17

Particulars	Related to 2015-16	Related Upto 31st March 2015
Income:		
Charter Hire	(286)	(532)
Freight	21	-
Others Insurance Recovery	20	-
Total Income	**(245)**	**(532)**
Expenditure:		
Brokerage & commission	-	28
Fuel oil	186	188

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Related to 2015-16	Related Upto 31st March 2015
Currency Exchange Difference	-	620
Stores, Repairs and Maintenance	-	2
Depreciation-Intangible Assets	20	95
Provision for Off Hire	57	83
Interest Expenses	226	-
Transport Handling Charges	-	454
Service Tax/CENVAT	(19)	8,256
Establishment charges	-	-
Other Port Expenses	8	104
Others	-	(11)
Total Expenses	**478**	**9,819**
NET INCOME /(EXPENDITURE)	**(723)**	**(10,351)**

Impact of Income/Expenses relating to previous years booked in 2016-17 on Balance Sheet

Particulars	Year ended 31 March 2016	Upto 31 March 2015
Other intangible assets	(28)	16
Other Current financial assets	(245)	(533)
Trade payables	224	8788
Other current financial liabilities	226	1047

Note 38: Disclosure of Specified Bank Notes

(All amounts in INR)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**889,500**	**306,383**	**1,195,883**
(+) Permitted receipts	-	568,148	568,148
(-) Permitted payments	-	180,864	180,864
(-) Amount deposited in Banks	889,500	391,467	1,280,967
Closing cash in hand as on 30.12.2016	**-**	**302,200**	**302,200**

Explanation : For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 39:

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 40:

The figures of previous year have been regrouped or rearranged wherever necessary to conform to current year’s presentation as per Schedule III (Division II) to the Companies Act 2013.

INDEPENDENT AUDITORS' REPORT

To,

The Members of,

The Shipping Corporation of India Limited

1. Report on Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **The Shipping Corporation of India Limited** ("the Holding Company"), its subsidiary and its Joint Ventures (together referred to as 'the Group') comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, the Consolidated Statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes of equity 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 3 of the Companies (Accounts) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016. 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 Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We 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 the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' 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 auditors' considers internal financial control relevant to the Holding 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us except as referred in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements which include the results of Subsidiary Company, 'Inland and Coastal Shipping Limited' and Joint Ventures namely India LNG Transport Company (No. 1) Ltd.; India LNG Transport Company (No. 2) Ltd.; India LNG Transport Company (No. 3) Ltd, 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 2017, its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the changes in equity for the year ended on that date.

5. Emphasis of Matter

We draw attention to the following:

a) Trade Receivables and 'Agents balances' are subject to the balance confirmations, Subsequent reconciliation and consequential adjustments, if any, as on 31st March, 2017.

b) The direct access of certain overseas foreign agents to funds, collected on account of freight and other charges, without adequate security and regular monitoring mechanism is prone to risk of non /short-payment.

c) The financial statements of the Joint Venture, India LNG Transport Company (No. 4), used in the consolidation have been drawn up for the calendar year ended 31st December 2016, which is different than the Holding Company, whose financial year ended on 31st March 2017. Adjustments have been made for the effect of the significant transactions or other events that have occurred between these two reporting dates.

Our Opinion is not qualified in respect of these matters.

6. **Other Matters**

i. The comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 1, 2015 included in these Consolidated Financial Statements, are based on the previously issued statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the previous Joint Auditors' whose report for the year ended March 31, 2016 dated May 26, 2016 expressed qualified opinion on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

ii. We did not audit the Financial Statements of a Subsidiary company, 'Inland and Coastal Shipping Limited' as at and for the year ended on March 31, 2017, whose Financial Statements reflect groups share in Total Assets of ₹ 5 lacs, Total Revenue of ₹ Nil. These Financial Statements are unaudited and 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 this Company, is based solely on such unaudited financial statements.

iii. We did not audit the Financial Statements of the Joint Ventures as at and for the year ended March 31, 2017. The Consolidated Financial Statements include the share of profit of ₹ 4,735 lacs. These Financial Statements are unaudited for the year ended March 31, 2017 and 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 Companies, is based solely on such unaudited Financial Statements.

Our opinion on the Consolidated Financial Results is not qualified in respect of the above matters.

7. **Report on Other Legal and Regulatory Requirements**

I. 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.

b. As required under sub section (5) of Section 143 of the Act, in case of Holding Company and Subsidiary Company being the Government company and its Joint Ventures not being Government Companies, whose financial statements have been consolidated, under the Act, we give in the **"Annexure – A"** 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 Holding Company only.

II As required by section 143 (3) of the Act, based on our audit and on the consideration of other financial information of Subsidiary, and Joint Venture, as noted in the "Other Matters" paragraph 6, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statement have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, consolidated Statement of Profit and Loss, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016;

(e) As per Notification No. G.S.R. 463 (E) dated June 5th, 2015 issued by Ministry of Corporate Affairs, Section 164 (2) as regards the 'Disqualifications of Directors' is not applicable to the Holding Company and its Subsidiary Company, since it is a Government Company. In respect of Joint Ventures, not incorporated in India, the section 164 (2) of the Act is not applicable;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and Operating effectiveness of such Control in Holding Company refer to our separate report in **"Annexure B"** to this report. Our comment on the adequacy of the Internal Financial Control over Financial Reporting is not applicable for the Joint Ventures whose financial statements have been consolidated since these are not the Companies under the Act. Also, with respect to the Subsidiary the financial statements are unaudited, hence not commented upon;

(g) With respect to the other matters to be included in the Auditors' 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, on the financial information of the Subsidiary and Joint Ventures, as noted in the 'Other matter' paragraph 6;

i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group **(Refer Note No. 27 of the Financial Statements)**.

ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company during the year ended March 31, 2017.

iv. These Consolidated Financial Statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 by the Holding Company and its subsidiary company incorporated in India **(Refer Note No. 38 of the Consolidated Financial Statements)**.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 27th May, 2017

For G. D. Apte & Co.
Chartered Accountants
FRN: 100515W

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952

Place: Mumbai
Date: 27th May, 2017

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

"Annexure A" to 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 2016-17

Sr. 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 the information and explanation given to us, the corporation has clear title/ lease deeds for freehold and leasehold land. Further, the company has one land which is on the lease is the Shipping house of Mumbai, on which building 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.	The company has write off the debts amounting to ₹ 6,94,927.23/- during the year **(Refer Annexure '1'**).	Not Material
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 are no gifts 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 2016-17

Sr. No.	Sub-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 per the information and explanation given to us, there are 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 , trade receivables and trade payables. However, no confirmation has been sent for loans & advances. For the Trade receivables, 122 confirmations sent, 12 confirmations has been received by us. For Trade Payables, 580 confirmations sent, 79 confirmations have been received by us.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management. However, Reconciliation / Rectification on the basis of balance confirmation of M/s. Cochin Shipyard Ltd. has already been done before 31st March 2017.
	(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 of trade payables received wherever varying with the amount as per the books of account by more than ₹ 5 Lakhs is shown in **(Annexure –'2')**.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management. However, Reconciliation / Rectification on the basis of balance confirmation of M/s. Cochin Shipyard Ltd. has already been done before 31st March 2017.

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

Sr. No.	Sub-directions	Auditor's comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
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 Indian Accounting Standards-19 (Ind AS 19).	No Impact

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

"Annexure B" to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of The Shipping Corporation of India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of The Shipping Corporation of India Limited

In conjunction with our audit of the Consolidated Financial Statements of The Shipping Corporation of India Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **The Shipping Corporation of India Limited** ("the Holding Company") its subsidiary and its Joint Ventures (together referred to as 'the Group') as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary and joint ventures are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established 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. 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 the respective 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.

Auditors' Responsibility

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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and referred in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

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

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the holding Company internal financial control over financial reporting as at 31st March, 2017.

a) The timely verification of claims of agents needs to be further strengthened.

b) The timely updation and monitoring of the data, with respect to Fleet Personnel, needs to be strengthened.

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

c) The control on the booking of bunker consumption to the correct voyage of the vessels needs to be strengthened. Also, timely updation of telegrams should be followed to avoid delays in booking of Bunker Consumption.

d) The control in the system, to ensure that the bunker consumption in case of time charter is recovered from the charterer instead of debiting to the consumption account, needs to be further strengthened.

e) The system has to ensure that the tax is deducted at source on all the provision for expense made.

f) Timely updation of Minimum rates/THC rates, for the purpose of preparation of 'Bill of Lading' needs to be strengthened. And system of maker checker for updating the same into the system, needs to be introduced.

g) Timely uploading of the data from Agents system to the Company's Invoice booking system needs to be further strengthened.

h) Maker Checker concept with respect to preparation and raising of Invoices to the Customers' needs to be strictly followed.

i) System of monitoring and clearing of Vendors Accounts, needs to be followed on timely basis.

In our opinion, the holding Company has in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017 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, 2017.

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, 2017 and these material weakness do not affect our opinion on the Consolidated Financial Statements of the Company.

Other Matters

With respect to the subsidiary incorporated in India, the auditor's report is not available with respect to internal financial control system over financial reporting and hence, the same has not been covered in the report.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 27th May, 2017

For G. D. Apte & Co.
Chartered Accountants
FRN: 100515W

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952

Place: Mumbai
Date: 27th May, 2017

ANNEXURES 'B' TO THE INDEPENDENT AUDITORS' REPORT

Annexure-'1' to the Directions issued under section 143 (5) of the companies act, 2013.

Name of the Party	Amount	Reason
Steel Authority of India Limited	₹ 318,432	The amount being written off as the file has been closed by SAIL.
M/s DSW	₹ 34,422	The amount being written off in the view of good business relations with the Charteres.
M/s Bohra Exports Pvt. Ltd.	₹ 83,190	The amount being written off as the balance is too small and uneconomical for further action.
M/s KPCL International Limited	₹ 59,146	The amount being written off as the Party is untraceable and the balance is too small and uneconomical for further action.
M/s Marianna Shipping Ltd.	₹ 37,868	The amount being written off as the balance is too small and uneconomical for further action.
M/s Glory Ship Management	₹ 273	The amount being written off as the balance is too small and uneconomical for further action.
M/s Hatmi Steels	₹ 34,635	The amount being written off as the balance is too small and uneconomical for further action.
M/s Joplin Overseas Investment Ltd	₹ 46,478	The amount being written off as the Party is untraceable and the balance is too small and uneconomical for further action.
Chakiat Agencies Pvt. Ltd.	₹ 72,200	Cargo has been auctioned by the custom authorities & hence not recoverable.
Liner Misc Receivables	₹ 8,283	These amounts are not recoverable from shipper & needs to clear from SCI books of accounts.

ANNEXURES ‘B’ TO THE INDEPENDENT AUDITORS’ REPORT

Annexure-‘2’ to the Sub-Directions issued under section 143 (5) of the companies act, 2013.

Vendor Code	Vendor Name	Currency	Balance as per SCI on 31st Dec 2016	Balance as per confirmation	Difference	Nature of Account
100009	OOMER & SONS	INR	(877,949)	(286,850)	591,099	Trade Payable
100012	PENTA ELECTROMEC PVT LTD.	INR	(6,844,341)	(8,248,901)	(1,404,560)	
100262	SAMARTH ENGINEERING	INR	(2,422,965)	(4,597,312)	(2,174,347)	
100412	SHIV TECH MARINE CONTROL SYSTEMS &	INR	(6,658,118)	(7,736,321)	(1,078,203)	
101270	Rochem (India) Pvt. Ltd	INR	(1,096,452)	(1,661,288)	(564,836)	
		USD	(2,508)	(4,040)	(1,533)	
101632	A. S. MOLOOBHOY PVT. LTD. - MUMBAI	INR	(10,584,173)	(19,088,634)	(8,504,461)	
		USD	(8,691)	5,147	13,838	
101863	Gulf Oil Lubricants India Limited	INR	(57,194,560)	(64,897,412)	(7,702,852)	
101935	A P ENGINEERING CO.	INR	(1,432,081)	(5,193,524)	(3,761,443)	
200734	CENTRAL WAREHOUSING CORPORATION	INR	(1,475,742)	(154,440)	1,321,302	
200750	MARINE ELECTRICAL & REFRIGERATION	INR	(26,649,247)	(34,029,260)	(7,380,013)	
200752	ABB INDIA LIMITED	INR	(23,891,156)	(4,526,096)	19,365,060	
200763	THE ORIENT ENGINEERING & SHIP REPA	INR	(5,729,514)	(7,656,749)	(1,927,235)	
200770	RAREFIELD ENGINEERS PRIVATE LTD.	INR	(3,037,590)	(4,853,734)	(1,816,144)	
200832	DENKI ENGINEERING COMPANY PVT LTD	INR	(143,500)	(1,205,400)	(1,061,900)	
200862	INDIA HOUSE PATH-LAB	INR	(1,738,518)	(217,152)	1,521,366	
200911	COCHIN SHIPYARD LIMITED	INR	(612,617,472)	(252,765,234)	359,852,238	
200924	JANO ENGINEERING WORKS	INR	(6,200,208)	(5,295,600)	904,608	
201679	S S K ENGINEERING WORKS (INDIA) PVT	INR	(23,692,265)	(50,480,026)	(26,787,761)	
203677	MANUBHAI & CO.CHARTERED ACCOUNTANTS	INR	(574,740)	(3,619,854)	(3,045,114)	
204011	BROTHERS ENTERPRISES	INR	(2,125,841)	(2,955,050)	(829,209)	
204615	Nautilus Shipping India Pvt Ltd	INR	(2,604,226)	(5,017,007)	(2,412,781)	
300193	J.P. SAUER & SOHN MASCHINENBAU GMBH	EUR	(121,968)	(149,156)	(27,188)	
300203	P&I ENTERPRISES CO.,LTD.	JPY	(5,016,452)	(6,045,444)	(1,028,992)	
300225	DREW AMEROID (SINGAPORE) PTE LTD	USD	(28,545)	(9,970)	18,575	
300535	J.O. Engineering Co., Ltd.	USD	(103,640)	(75,249)	28,391	
300747	DAEHWA ENGINEERING SERVICE CO.,LTD.	USD	(112,764)	(136,522)	(23,758)	
300810	Caterpillar Marine Asia Pacific	EUR	(43,367)	(87,338)	(43,971)	
300818	AIR INN HANSA MARINE ENTERPRISES	USD	(10,767)	(2,475)	8,292	
301142	AEGIR-Marine Singapore Pte Ltd	SGD	(38,180)	(58,478)	(20,297)	
301243	BNT - GMASS KOREA CO., LTD.	USD	(26,531)	(197,403)	(170,872)	
301246	Chinaport Cleanseas Group Co. Ltd.	USD	(10,000)	(24,500)	(14,500)	
301267	TOS-MARINE POWER INTERNATIONAL FZC	EUR	(1,124)	(17,691)	(16,567)	
400012	FIVE OCEANS SHIP REPAIRING & MARIN	AED	(9,428,908)	(8,781,814)	647,095	
600009	BOYD STEAMSHIP CORPORATION	USD	(44,327)	22,305	(22,022)	
600109	CHAMPION AGENCIES CHINA LTD SHANGHAI	USD	(123,790)	1,425	(122,365)	
600825	SHARAF SHIPPING (DUBAI) CRUDE PROD	AED	392,642	2,304,681	1,912,039	

ANNEXURES 'B' TO THE INDEPENDENT AUDITORS' REPORT

Vendor Code	Vendor Name	Currency	Balance as per SCI on 31st Dec 2016	Balance as per confirmation	Difference	Nature of Account
600830	BNT-FAR EASTERN SERVICES (PTE) LTD. SINGAPORE CHANGI	SGD	926,536	811,197	(115,339)	Trade Payable
600866	Haji Abdullah, Dammam	SAR	22,200	(192,559)	(170,359)	
600870	BNT-RENNIES SHIPS AGENCY (PTY) LTD.DURBAN	ZAR	432,707	(261,948)	170,759	
600871	Haji Abdullah, Jeddah	SAR	(41,124)	608,643	567,519	
600902	CHAMPION SHIPPING TAIWAN	TWD	(3,111,145)	1,047,319	(2,063,826)	
600006/ 600878/ 600881	AMEASTER SHIPPING & TRADING CO.	USD	640,455	(1,112,911)	(472,455)	
600007/ 600861/ 600890	ASHA AGENCIES LTD.	LKR	38,597,991	2,034,579	(36,563,413)	
600001	AGENCIA MARITIMA CONDEMINAS S.A.		(6,013,674)	(20,529,345)	-	
600099	CONDEMINAS CADIZ S.A.		718	-	-	
600853	LNR-AGENCIA M CONDEMINAS S.A.		(5,166,639)	-	-	
	Total	**INR**	**(11,179,594)**	**(20,529,345)**	**(9,349,752)**	
600006	AMEASTER SHIPPING & TRADING CO.		54,258,531	(1,047,688)	-	
600881	LINER- AMEASTER SHIPPING & TRADING		(11,198,567)	-	-	
	Total	**INR**	**43,059,964**	**(1,047,688)**	**(44,107,652)**	
600007	ASHA AGENCIES LTD.		(8,759,557)	(23,423,542)	-	
600861	LNR-ASHA AGENCIES LTD.		28,144,434	-	-	
	Total	**INR**	**19,384,876**	**(23,423,542)**	**(42,808,418)**	
600011	CESARE FREMURA SRL		43,403,322	(184,817,024)	-	Trade Payable
600836	LNR-CESARE FREMURA SRL		(101,276,635)	-	-	
	Total	**INR**	**(57,873,313)**	**(184,817,024)**	**(126,943,711)**	
600012	CHAMPION SHIPPING SERVICE CO. LTD.		(1,693,935)	(617,673)	-	
600919	LNR-CHAMPION SHIPPING TAIWAN		251,703	-	-	
	Total	**INR**	**(1,442,232)**	**(617,673)**	**824,559**	
600015	CLB LINER		(58,665,027)	(64,772,832)		
	Total	**INR**	**(58,665,027)**	**(64,772,832)**	**(6,107,805)**	
600835	LNR-FREIGHTMAN AB		(10,526,107)	(11,386,555)		
600027	FREIGHTMAN NORWAY AS		(2,444,327)	(376,222)		
600849	LNR-FREIGHTMAN NORWAY AS		(120,925)	-		
	Total	**INR**	**(13,091,359)**	**(11,762,778)**	**1,328,582**	
600056	NOVLOMAR MARITIME		518,299	(1,120,485)		
	Total	**INR**	**518,299**	**(1,120,485)**	**(1,638,783)**	
600013	CHAMPION AGENCIES CHINA LTD.		1,284,435	(22,570,729)		
600109	CHAMPION AGENCIES CHINA LTD.		(8,399,147)	-		
600918	LNR-CHAMPION SHIPPING CHINA		(8,911,354)	-		
	Total	**INR**	**(16,026,066)**	**(22,570,729)**	**(6,544,663)**	
600300	Medtainer Shipping & Transport S.A.		(1,657,507)	(479,792)		

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

Vendor Code	Vendor Name	Currency	Balance as per SCI on 31st Dec 2016	Balance as per confirmation	Difference	Nature of Account
	Total	**INR**	**(1,657,507)**	**(479,792)**	**1,177,715**	Trade Payable
600631	M/S CHAMPION SHIPPING SERIVCES		(252,251)	(494,445)		
600837	LNR-CHAMPION SHIPPING SERIVCES		1,398,571	-		
	Total	**INR**	**1,146,320**	**(494,445)**	**(1,640,765)**	
500490	CPS-CHAKIAT AGENCIES PVT. LTD.		(202,619)	(195,338)		
500402	LNR-CHAKIAT AGENCIES PVT. LTD.		16,239,626	(275,106)		
	Total	**INR**	**16,037,007**	**(470,444)**	**(16,507,451)**	
500039	CMT AHMEDABAD		713,972	120,924		
500036	CMT NAGPUR		370,539	335,133		
500032	CMT INDORE		83,416	66,852		
500003	CMT MUMBAI		(1,576,137)	(746,529)		
500038	CMT DELHI		5,754,223	(12,022,970)		
	Total	**INR**	**5,346,014**	**(12,246,591)**	**(17,592,605)**	
600325	SHARAF SHIPPING AGENCY L.L.C.		(33,717)	(5,223,146)		
600822	SHARAF SHIPPING (DUBAI) L.L.C. LNR		988,022	-		
	Total	**INR**	**954,305**	**(5,223,146)**	**(6,177,450)**	
4000000001	AGENCIA MARITIMA CONDEMINAS S.A.	INR	27,525,914	21,641,538	5,884,375	Trade Receivable
4000000006	AMEASTER SHIPPING & TRADING CO.	INR	23,625,511	-	23,625,511	
4000000007	ASHA AGENCIES LTD.	INR	16,916,996	12,159,967	4,757,029	
4000000011	CESARE FREMURA SRL	INR	158,792,013	163,533,503	(4,741,490)	
4000000015	CLB LINER	INR	46,994,501	48,728,302	(1,733,801)	
4000000027	FREIGHTMAN NORWAY AS	INR	3,746,598	787,137	2,959,461	
4000000050	MARTI SHIPPING AGENCY S.A.	INR	33,345,486	129,210,529	(95,865,043)	
3000000002	CHAKIAT AGENCIES PVT. LTD.	INR	17,424,464.14	15,047,834.02	2,376,630.12	

The Shipping Corporation of India Limited
CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	**4**	1,141,062	1,182,675	1,133,958
Capital work-in-progress	**5**	2,733	-	49,094
Other intangible assets	**6(a)**	6	46	1,225
Investments accounted for using the equity method	**6(b)**	13,503	4,138	1,947
Financial assets				
i. Investments	**7(a)**	99	99	-
ii. Loans	**7(b)**	1,490	1,523	1,221
iii. Other financial assets	**7(d)**	20	79	1
Tax assets (net)	**8**	11,894	10,493	6,849
Other non-current assets	**9**	9,105	6,035	15,398
Total non-current assets		**1,179,912**	**1,205,088**	**1,209,693**
Current assets				
Inventories	**10**	11,521	8,558	9,193
Financial assets				
i. Investments	**7(e)**	-	3,746	7,669
ii. Trade receivables	**7(f)**	65,871	68,183	73,318
iii. Cash and cash equivalents	**7(g)**	57,129	49,682	11,253
iv. Bank balances other than (iii) above	**7(c)**	80,442	78,864	114,361
v. Loans	**7(b)**	26,738	28,878	29,421
vi. Other financial assets	**7(d)**	16,184	10,256	11,735
Other current assets	**9**	14,205	19,733	13,566
Assets classified as held for sale	**11**	690	74	70
Total current assets		**272,780**	**267,974**	**270,586**
Total assets		**1,452,692**	**1,473,062**	**1,480,279**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	**12**	46,580	46,580	46,580
Other equity	**13**	646,293	627,178	552,561
Total equity		**692,873**	**673,758**	**599,141**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**14(a)**	307,763	455,619	551,686
ii. Other financial liabilities	**14(b)**	38	9	41
Provisions	**17**	8,574	14,559	13,797
Deferred tax liabilities (net)	**15**	34,362	35,163	36,199
Total non-current liabilities		**350,737**	**505,350**	**601,723**

The Shipping Corporation of India Limited

CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current liabilities				
Financial liabilities				
i. Borrowings	**14(c)**	97,420	-	3,500
ii. Trade payables				
Micro, Small and Medium Enterprises	**14(d)**	1,585	515	547
Others	**14(d)**	113,644	109,396	109,039
iii. Other financial liabilities	**14(b)**	179,279	163,530	153,523
Other current liabilities	**16**	16,186	15,873	9,726
Provisions	**17**	968	4,640	3,080
Total current liabilities		**409,082**	**293,954**	**279,415**
Total liabilities		**759,819**	**799,304**	**881,138**
Total equity and liabilities		**1,452,692**	**1,473,062**	**1,480,279**

The accompanying cash flow statement, statement of changes in equity and notes No. 1 to 42 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

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

For G. D. APTE & Co.
Chartered Accountants
FR. No. 100515W

CA Sanjeev Maheshwari
Partner
Membership No. 38755

CA Chetan R. Sapre
Partner
Membership No. 116952

Dipankar Haldar
ED (LA & Co. Sec.)

Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 27th May, 2017

Mumbai, Dated the 27th May, 2017

The Shipping Corporation of India Limited
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations	18,19	344,687	404,988
Other income	20	14,523	16,479
Total Income		**359,210**	**421,467**
Expenses			
Cost of services rendered	21	214,129	209,876
Employee benefits expense	22	45,765	48,700
Finance costs	23	17,215	17,187
Depreciation and amortisation expense	24	56,607	54,225
Other expenses	25	7,778	12,534
Total expenses		**341,494**	**342,522**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**17,716**	**78,945**
Share of net profit of associates and joint ventures accounted for using equity method		4,018	2,834
Profit before exceptional items and tax		**21,734**	**81,779**
Exceptional items		-	-
Profit before tax		**21,734**	**81,779**
Tax expense	28		
Current tax		6,105	7,100
Deferred tax		(801)	(1,036)
MAT Credit adjusted		(1,132)	(2,450)
Total tax expense		**4,172**	**3,614**
Profit for the Year		**17,562**	**78,165**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements gain/(loss) of defined benefit plans		838	(1,481)
Share of OCI of associates and joint ventures, net of tax		717	(2,071)
Other comprehensive income for the year, net of tax		**1,555**	**(3,552)**
Total comprehensive income for the year		**19,117**	**74,613**
Earnings per equity share	26		
Basic earnings per share		**3.77**	**16.78**
Diluted earnings per share		**3.77**	**16.78**

The accompanying cash flow statement, statement of changes in equity and notes No. 1 to 42 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

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

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Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 27th May, 2017

Mumbai, Dated the 27th May, 2017

The Shipping Corporation of India Limited

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A	**Cash Flow from operating activities:**		
	Profit before income tax	21,734	81,779
	Adjustments for		
	Add:		
	Depreciation and amortisation expenses	56,607	54,225
	Finance costs	17,215	17,187
	Bad debts and irrecoverable balances written off	7	23
	Provision for diminution of value of investment	39	-
	Less:		
	Dividend received	(44)	(625)
	Interest received	(10,644)	(11,411)
	Share of profits of associates and joint ventures	(4,018)	(2,834)
	Excess Provisions written back	(642)	(851)
	Profit on sale of investment	-	-
	Remeasurements of post-employment benefit obligations	838	(1,481)
	Surplus on sale of fixed assets	(803)	(1,245)
	Provision for doubtful debts	(1,099)	(1,807)
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	1,363	11,375
	(Increase)/Decrease in inventories	(2,963)	635
	Increase/(Decrease) in trade payables	(3,015)	12,328
	Cash generated from operations	74,575	157,298
	Income taxes paid	(6,374)	(8,294)
	Net cash inflow from operating activities (A)	**68,201**	**149,004**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment/ intangible assets	(19,336)	(52,671)
	Sale proceeds of property, plant and equipment	1,837	1,242
	Income from Investments	2,130	3,180
	Proceeds from sale of investments	3,746	3,920
	Purchase of non-current investments	(4,671)	(1,521)
	Loans given to Joint venture	(383)	-
	Recovery of Loans given to employees and Joint venture	2,581	119
	Other Deposits with banks	(1,597)	35,490
	Advances and other Deposits	(855)	49
	Interest received	8,017	9,072
	Net cash outflow from investing activities (B)	**(8,531)**	**(1,120)**

The Shipping Corporation of India Limited
CONSOLIDATED CASH FLOW STATEMENT
(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
C	**Cash flow from financing activities:**		
	Long term loans borrowed/(repaid)	(132,667)	(88,904)
	Short term loans borrowed/(repaid)	97,420	(3,500)
	Dividend on shares paid of earlier years and transfer to IEPF*	(19)	(7)
	Interest paid	(16,788)	(16,939)
	Other financing costs	(188)	(112)
	Net cash inflow (outflow) from financing activities (C)	**(52,242)**	**(109,462)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**7,428**	**38,422**
	Add: Changes in Bank balances (unavailable for use) *	19	7
	Add: Cash and cash equivalents at the beginning of the financial year	49,682	11,253
	Cash and cash equivalents at the end of the year	**57,129**	**49,682**
	Reconciliation of Cash Flow statements as per the cash flow statement	**31 March 2017**	**31 March 2016**
	Cash Flow statement as per above comprises of the following		
	Cash and cash equivalents	57,129	49,682
	Balances as per statement of cash flows	57,129	49,682

*The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividends bank accounts.

As per our report of even date attached hereto.

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

CA Sanjeev Maheshwari
Partner
Membership No. 38755

For G. D. APTE & Co.
Chartered Accountants
FR. No. 100515W

CA Chetan R. Sapre
Partner
Membership No. 116952

Mumbai, Dated the 27th May, 2017

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Co. Sec.)

Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman & Managing Director

Mumbai, Dated the 27th May, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)

Balance as at 1 April 2015	**46,580**
Changes in equity share capital	-
Balance as at 31 March 2016	**46,580**
Changes in equity share capital	-
Balance as at 31 March 2017	**46,580**

B. Other Equity

	Note	Reserves and Surplus						Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Total Other Equity
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Other Reserves					
					General Reserve	Tonnage Tax Reserve	Tonnage Tax Reserve (Utilised)			
Balance as at 1 April 2015		**14,298**	**52,177**	**(54,984)**	**404,827**	**50**	**138,900**	**(2,707)**	**-**	**552,561**
Profit for the year		-	-	78,165	-	-	-	-	-	**78,165**
Other Comprehensive Income for the year	31	-	-	(1,481)	-	-	-	(2,225)	157	**(3,549)**
Total Comprehensive Income for the year		-	-	76,684	-	-	-	(2,225)	157	**74,616**
Transfer from surplus in Statement of Profit and Loss account		-	-	-	-	9,000	-	-	-	**9,000**
Transfer to Tonnage Tax Reserve		-	-	(9,000)	138,900	-	-	-	-	**129,900**
Transfer to general reserve		-	-	-	-	-	(138,900)	-	-	**(138,900)**
Balance as at 31 March 2016		**14,298**	**52,177**	**12,700**	**543,727**	**9,050**	**-**	**(4,932)**	**157**	**627,177**
Profit for the year		-	-	17,562	-	-	-	-	-	**17,562**
Other Comprehensive Income for the year	31	-	-	838	-	-	-	1,482	(766)	**1,554**
Total Comprehensive Income for the year		-	-	18,400	-	-	-	1,482	(766)	**19,116**
Transfer from Tonnage tax reserve (utilised)		-	-	(750)	9,050	-	-	-	-	**8,300**
Transfer from surplus in Statement of Profit and Loss account		-	-		-	750	-	-	-	**750**
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	(9,050)	-	-	-	**(9,050)**
Transfer from Tonnage tax reserve		-	-	-	-	-	9,050	-	-	**9,050**
Transfer to General Reserve		-	-	-	-	-	(9,050)	-	-	**(9,050)**
Balance as at 31 March 2017		**14,298**	**52,177**	**30,350**	**552,777**	**750**	**-**	**(3,450)**	**(609)**	**646,293**

The accompanying notes 1 to 42 are an integral part of these Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

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

For G. D. APTE & Co.
Chartered Accountants
FR. No. 100515W

CA Sanjeev Maheshwari
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Mumbai, Dated the 27th May, 2017

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Managing Director

Mumbai, Dated the 27th May, 2017

The Shipping Corporation of India Limited
SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Shipping Corporation of India Limited ("the Company") together with its subsidiary and joint ventures ("the Group") is the largest Indian Shipping Company limited by shares, incorporated in 1961. The Group is involved in business of transporting goods and passengers. The Group's owned fleet includes Bulk carriers, Crude oil tankers, Product tankers, Container vessels, Passenger-cum-Cargo vessels, Phosphoric Acid /Chemical carriers, LPG / Ammonia carriers and Offshore Supply Vessels. In addition, the Group manages a large number of vessels on behalf of various government departments and organizations.

The registered office of the Company is located at Shipping House, 245, Madame Cama Road, Nariman Point, Mumbai - 400 021.

These consolidated Financial Statements are approved for issue by the board of directors on 27thMay 2017.

Note 1: Significant Accounting Policies

1. Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated Financial Statements are for the Group consisting of the Company and its subsidiary and joint ventures.

1.1 Basis of Preparation

(a) Compliance with Indian Accounting Standards

The Consolidated Financial Statements of the group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") to the extent applicable and current practices prevailing within the Shipping Industries in India. These are the Groups first Ind AS consolidated Financial Statements and Ind AS 101, 'First–time Adoption of Indian Accounting Standards' has been applied. The policies set out below have been consistently applied during the years presented.

For all periods up to and including the year ended 31 March 2016, the Group has prepared its consolidated Financial Statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

These consolidated Financial Statements for the year ended 31 March 2017 are the first Financial Statements the Group has prepared in accordance with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in Note 3.

(b) Historical cost convention

The consolidated Financial Statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial asset and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(c) The assets and liabilities reported in the Balance Sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group or in the 12 months following the Balance Sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Group or within the 12 months following the close of the financial year.

(d) The consolidated Financial Statements are presented in 'Indian Rupees' (INR), which is also the Group's functional currency and all amounts are rounded to the nearest lakhs, unless otherwise stated.

(e) Recent accounting pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Group from 1April, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated Financial Statements is being evaluated.

1.2 Basis of Consolidation

Subsidiaries

i. The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiary over which the group has control which has been prepared in accordance with Ind AS 110 -"Consolidated Financial Statements". Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

ii. The Financial Statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.

iii. The consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements.

iv. The Financial Statements of the subsidiary used in consolidation are drawn up to the same reporting date asthat of the Company i.e. year ended 31 March 2017.

Joint arrangements

Under Ind AS 111, "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures.

Joint ventures

The consolidated Financial Statements include the interest of the Company in joint ventures which are accounted using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivables from joint ventures are recognised as reduction in the carrying amount of the investments.

When the Company's share of losses in the equity accounted investments equals or exceeds its interest in the investee, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations.

The Financial Statements of the joint ventures used in the consolidation have been prepared under IFRS. For India LNG Transport Company (No. 1 ,2,3) period 1st April to 31st March has been taken whereas for India LNG Transport Company (No. 4) Ltd. due to unavailability of financial accounts for quarter ended March 2017 Financial Statements for the period 01st January to 31st December are taken. 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 Company.

The results and financial position of foreign operations such as joint ventures that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that Balance Sheet
- income and expenses are translated at average exchange rates and
- All resulting exchange differences are recognised in other comprehensive income.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated Financial Statements are presented in 'Indian Rupees' (INR), which is the Group's functional and the Group's presentation currency.

(b) Transactions and balances

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.

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.

Exchange difference arising on repayment of liabilities and conversion of foreign currency closing balances pertaining to long term loans as on 31.03.2016 for acquiring ships/

containers/ other depreciable assets and asset under construction is adjusted in the carrying cost of respective assets. In case of long term loans taken after 31.03.2016, the exchange difference on repayment of liabilities and conversion of foreign currency closing balances pertaining to the loans is charged/credited to Statement of Profit & Loss.

The exchange differences arising on translation of other monetary assets and liabilities are recognised in the Statement of profit and loss.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on 31.03.2016 as described above.

1.4 Property, plant and equipment

Items of property, plant and equipment acquired or constructed are stated at historical cost net of recoverable taxes, less accumulated depreciation and impairment of loss, if any. The cost of tangible assets comprises of its purchase price, borrowingcosts and adjustment arising for exchange rate variations attributable to the assets, wherever applicable including any cost directly attributable till completion of maiden voyage.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost (net of revenues during constructions) are disclosed under Capital Work-in-Progress.

Subsequent costs like expenditure on major maintenance refits or repairs including planned drydock are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Transition to Ind AS:

On transition to Ind AS -

a) Freehold land has been measured at fair value on transition date and that fair value is used as the deemed cost;

b) Certain items of fleet have been measured at fair value and that fair value is used as deemed cost as on transition date.

c) All other assets which are not fair valued have been measured in accordance with Ind AS 16 retrospectively.

Depreciation:

Depreciation on all vessels is charged on "Straight Line Method" less residual value.In the case of Liner and Bulk Carrier vessels, the Group has adopted useful life of 25 years as mentioned in Schedule II to the Companies Act, 2013. In case of Tankers & Offshore Vessels, the Group has adopted a useful life of 25 years based on the technical parameters including design life and the past record. Secondhand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25 years from the date of original build.

Capitalised expenditure on drydock are depreciated until the next planned dry-docking.

Depreciation on other tangible assets is charged on "Straight Line Method" at rates mentioned in Schedule II of Companies Act, 2013

Assets costing individually ₹5000/- and below are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of lease.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

RETIREMENT AND DISPOSAL OF ASSETS

a) Assets which have been retired from operations for eventual disposal are exhibited separately in the Note No. 11- Assets classified as held for sale.

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.

1.5 Intangible assets

Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs and directly attributable costs.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets including software is amortised over the useful life not exceeding five years.

1.6 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

1.7 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment 31st March every year or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place.

1.8 Inventories

Inventoriesare valued at cost as determined on ‘Moving Average Price’ method or net realisable value, whichever is lower, unless otherwise stated.

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.

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

1.9 Non-current assets held-for-sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

1.10 Trade Receivable

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are recognized initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment. The carrying value less impairment provision of trade receivables, are assumed to be approximate to their fair values.

1.11 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less from date of acquisition.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

1.12 Investments and other financial assets

i. **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. **Subsequent measurement**

For purposes of subsequent measurement, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity Instruments

The Group subsequently measures all equity instruments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

iii. Derecognition

A financial asset is derecognised only when:

i. the rights to receive cash flows from the asset have expired, or

ii. the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

iv. Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated above is as follows:

Debt instruments measured at amortised cost and FVTOCI: Debt instruments at amortised cost and those at FVTOCI where there has been a significant increase in credit risk, lifetime expected credit loss provision method is used and in all other cases, the impairment provision is determined as 12 months expected credit losses.

Trade receivables from customers: The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables.

v. Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

1.13 Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.14 Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.15 Financial liabilities

i. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Trade and other payable: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

v. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.16 Income tax

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 Group. Provision for income- tax on non-shipping income is made as per the normal provisions of the Income- Tax Act 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws in previous years is recognised as an asset and adjusted against provision for income tax liability of the year in which there is a reasonable certainty which give rise to future economic benefits in the form of tax credit against future income tax liability.

Deferred income tax is provided in full, using the liability method, on temporary differences (other than those which are covered in tonnage tax scheme) arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in ther comprehensive income or directly in equity.

1.17 Employee Benefits

a) Short-term / long term obligations

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

b) Defined contribution plan

Employee benefits under defined contribution plans comprising of post- retirement medical benefits (w.e.f 01.01.2007),provident fund and pension contribution are recognized based on the undiscounted amount of obligations of the Group to contribute to the plan. This contribution is recognised based on its undiscounted amount and paid to a fund administered through a separate trust except post- retirement medical benefit for employees retired w.e.f 01.01.2007.

c) Defined benefit plan

Employee benefits under defined benefit plans comprising of gratuity, leave encashment and post- retirement medical benefits for employees retired before 01.01.2007.are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

1.18 Prior period items

All material prior period errors are adjusted retrospectively in the first set of consolidated Financial Statements approved for issue after their discovery by:

(a) Restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

1.19 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 Group. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is treated as contingent liability.

Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

1.20 Revenue Recognition

The Group recognises revenue in Statement of Profit & Loss when

- The income can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the Group,
- The stage of completion of the transaction at the Balance Sheet date can be measured reliably, and
- Costs relating to the transaction can be measured reliably.

The Statement of Profit & Loss reflects,

i. Freight revenues and costs directly attributable to the transport of cargo are recognized on a percentage of voyage completion basis.

ii. In respect of time charter arrangements, income and expenses are booked on accrual basis.

iii. Demurrage income as revenue when it can be measured reliably as per contractual terms.

iv. Standing Charges (Vessel related Fixed Costs) for all the vessels on accrual basis.

v. Administrative expenses which comprises of administrative staff cost, management cost, office expenses and other expenses relating to administration are recognized on accrual basis.

1.21 INSURANCE, P&I AND OTHER CLAIMS

a) Provision in respect of claims against the Group and covered by Hull and P&I insurance is made as under:-

i. In respect of collision claims and P & I claims (other than crew & cargo claims), to the extent of deductible limit based on the assessment provided by the surveyors.

ii. In case of Cargo claims, actual claims registered and/or paid pertaining to the relevant year's voyages as ascertained at the period end or the P&I deductible limit whichever is lower.

iii. 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 Group 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.

1.22 Leases

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments & Receipts under operating leases are charged/credited to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

1.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

1.24 Earnings per share

Basic is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.25 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.26 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to duty scrips on export of services (Served from India Scheme) are related to income and are recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Note 2: Critical Accounting Estimates and Judgements

Preparing the consolidated Financial Statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the Balance Sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Useful lives of vessels

Management of the Group decided the estimated useful lives of vessels and respective depreciation. The accounting estimate is based on the expected wears and tears. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of fixed assets.

b) Residual Value

Residual value is considered as 5% of original cost of Vessel. The residual value is reviewed every year on 31st March.

c) Impairment of assets

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. 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.

d) Defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations.

e) Provision

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

f) Impairment of Trade Receivable

The methodology followed by SCI is the use of a provision matrix as a practical expedient to measure expected credit losses on its portfolio of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date.

Considering the different services provided by our Group and provisioning made segment wise in SCI, analysis and computation of expected credit loss for trade receivables is done for different segments.

g) Demurrage

Vessel Demurrage income due as per contractual terms is recognized. A provision on estimated basis is made towards deduction from demurrage based on past experience of settlements.

h) Income Tax

Due to Tonnage tax regime applicable on the main part of the Group's activities, resulting in a lower income tax payable in the future, the amount of deferred tax to be recognised is limited. Considering the tonnage tax regime applicable to shipping activities, difference between taxable and book values of assets and liabilities are generally of permanent nature. This is due to the fact that the taxable result for tonnage tax eligible activities has no correlation with either carrying value or the generally applicable tax value of assets and liabilities. As a consequence, temporary differences are limited to those arising from other activities which are subject to normal Income tax provisions.

Note 3: First time adoption of Ind AS

Transition to Ind AS

These are the Group's first Consolidated Financial Statements prepared in accordance with Ind AS.

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. These Financial Statements for the year ended 31st March, 2017 are the first the Group has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2016, the Group prepared its Financial Statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS Financial Statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared Financial Statements which comply with Ind AS for year ended 31st March, 2017, together with the comparative information as at and for the year ended 31st March, 2016. The Group's opening Ind AS Balance Sheet has been prepared as at 1st April, 2015, the date of transition to Ind AS.

In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS Financial Statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its previous GAAP Financial Statements, including the Balance Sheet as at 1st April, 2015 and the Financial Statements as at and for the year ended 31st March, 2016.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to measure all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS at fair value or previous GAAP carrying value and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Group has elected to measure certain items of its property, plant and equipment (PPE) at their fair values. The Group has elected to use previous GAAP carrying value as deemed cost for Intangible Assets covered by Ind AS 38 "Intangible Assets".

A.1.2 Long term foreign currency monetary items

Ind AS 101 permits a first time adopter to continue the accounting policy adopted for accounting for exchange differences arising on translation of long term foreign currency monetary items outstanding as on 31st March 2016.

The Group has opted to apply this exemption.

A.1.3 Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a equity method investee was formed.

The Group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

A.2 Ind AS mandatory exceptions

The Group has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(All amounts in INR lakhs, unless otherwise stated)

1) Investment in mutual funds carried at FVTPL;

2) Impairment of Trade Receivables based on expected credit loss model

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (other than equity instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Group has applied the above assessment based on facts and circumstances exist at the transition date.

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

The presentation requirements under previous GAAP differs from Ind AS and hence the previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived based on the audited Financial Statements of the Group for the year ended 31 March 2015 and 31 March 2016.

Reconciliation of equity as at date of transition (1 April 2015)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	**A,1,2,3**	1,226,734	(92,776)	1,133,958
Capital work-in-progress	**A**	56,698	(7,604)	49,094
Other intangible assets	**2**	1,209	16	1,225
Investments accounted for using the equity method	**A**	-	1,947	1,947
Financial assets				
i. Investments	**A**	10	(10)	-
ii. Loans	**6**	2,287	(1,066)	1,221
iii. Other financial assets		1	-	1
Income Tax Assets(Net)		6,849	-	6,849
Other non-current assets	**6,7**	14,689	709	15,398
Total non-current assets		**1,308,476**	**(98,784)**	**1,209,693**
Current assets				
Inventories	**A**	9,266	(73)	9,193
Financial assets				
i. Investments		7,669	-	7,669
ii. Trade receivables	**A,5**	80,199	(6,881)	73,318
iii. Cash and cash equivalents		11,253	-	11,253
iv. Bank balances other than (iii) above	**A**	122,292	(7,931)	114,361
v. Loans	**A,6**	21,102	8,319	29,421
vi. Other financial assets	**2,4**	2,384	9,351	11,735
Other current assets	**A**	13,596	(30)	13,566
Assets classified as held for sale		70	-	70
Total current assets		**267,831**	**2,755**	**270,586**
Total assets		**1,576,308**	**(96,029)**	**1,480,279**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity share capital		46,580	-	46,580
Other equity	**A,1,2,3,4,5**	605,336	(52,775)	552,561
Total equity		**651,916**	**(52,775)**	**599,141**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**A,3**	614,903	(63,217)	551,686
ii. Other financial liabilities		41	-	41
Provisions		13,797	-	13,797
Deferred tax liabilities	**9**	-	36,199	36,199
Total non-current liabilities		**628,741**	**(27,018)**	**601,723**
Current liabilities				
Financial liabilities				
i. Borrowings	**A**	3,857	(357)	3,500
ii. Trade payables				
Micro, Small and Medium Enterprises		547	-	547
Others	**A,1,2,4**	92,436	16,603	109,039
iii. Other financial liabilities	**A,2,3**	186,004	(32,481)	153,523
Other current liabilities		9,726	-	9,726
Provisions		3,080	-	3,080
Total current liabilities		**295,650**	**(16,235)**	**279,415**
Total liabilities		**924,391**	**(43,253)**	**881,138**
Total equity and liabilities		**1,576,308**	**(96,029)**	**1,480,279**

Reconciliation of equity as at 31 March 2016

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	**A,1,2,3**	1,245,289	(62,614)	1,182,675
Capital work-in-progress	**A**	15,793	(15,793)	-
Other intangible assets	**2**	58	(12)	46
Investments accounted for using the equity method	**A**	-	4,138	4,138
Financial assets				
i. Investments	**A**	9	90	99
ii. Loans	**6**	2,735	(1,212)	1,523
iii. Other financial assets		79	-	79
Income Tax Assets(Net)		10,493	-	10,493
Other non-current assets	**6,7**	5,096	939	6,035
Total non-current assets		**1,279,553**	**(74,465)**	**1,205,088**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
Current assets				
Inventories	**A**	8,635	(77)	8,558
Financial assets				
i. Investments		3,746	-	3,746
ii. Trade receivables	**A,5**	70,601	(2,418)	68,183
iii. Cash and cash equivalents		49,682	-	49,682
iv. Bank balances other than (iii) above	**A**	86,995	(8,131)	78,864
v. Loans	**A,6**	20,723	8,155	28,878
vi. Other financial assets	**2,4**	1,519	8,737	10,256
Other current assets	**A**	19,738	(5)	19,733
Assets classified as held for sale		74	-	74
Total current assets		**261,713**	**6,261**	**267,974**
Total assets		**1,541,266**	**(68,204)**	**1,473,062**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		46,580	-	46,580
Other equity	**A,1,2,3,4,5**	644,256	(17,078)	627,178
Total equity		**690,836**	**(17,078)**	**673,758**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**A,3**	524,831	(69,212)	455,619
ii. Other financial liabilities		9	-	9
Provisions		14,452	107	14,559
Deferred tax liabilities	**9**	-	35,163	35,163
Total Non-Current liabilities		**539,292**	**(33,942)**	**505,350**
Current liabilities				
Financial liabilities				
i. Borrowings		-	-	-
ii. Trade payables				
Micro, Small and Medium Enterprises		515	-	515
Others	**A,1,2,4**	94,292	15,104	109,396
iii. Other financial liabilities	**A,2,3**	196,345	(32,815)	163,530
Other current liabilities		15,873	-	15,873
Provisions	**7**	4,112	528	4,640
Total current liabilities		**311,137**	**(17,183)**	**293,954**
Total liabilities		**850,430**	**(51,126)**	**799,304**
Total equity and liabilities		**1,541,266**	**(68,204)**	**1,473,062**

B. Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
Revenue from operations	**A,2,4**	420,168	(15,180)	404,988
Other income	**A,2**	15,895	584	16,479
Total Income		**436,063**	**(14,596)**	**421,467**

The Shipping Corporation of India Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Regrouped previous GAAP	Effects of transition to Ind-AS	Ind AS
Expenses				
Cost of services rendered	**A,1,2,4**	229,785	(19,909)	209,876
Employee benefits expense	**A,6**	50,399	(1,699)	48,700
Finance costs	**A,3**	21,089	(3,902)	17,187
Depreciation and amortisation expense	**A,1,2,3**	61,073	(6,848)	54,225
Other expenses	**A,2,4,5,8**	16,680	(4,146)	12,534
Impairment of Assets	**1**	13,638	(13,638)	-
Total expenses		**392,663**	**(50,141)**	**342,522**
Profit/(loss) before Prior Period, Exceptional items and tax		**43,400**	**35,546**	**78,945**
Income / (Expenses) pertaining to Prior Period (Net)	**2**	**194**	**(194)**	**-**
Share of net profit of associates and joint ventures accounted for using equity method		-	-	2,834
Profit before exceptional items and tax		**43,594**	**35,352**	**81,779**
Exceptional items		-	-	-
Profit before tax		**43,594**	**35,352**	**81,779**
Income Tax expense				
Current tax		7,104	-	7,100
Deferred tax	**9**	-	(1,036)	(1,036)
MAT Credit adjusted		(2,450)	-	(2,450)
Total tax expense		**4,654**	**(1,036)**	**3,614**
Profit for the Year		**38,940**	**36,388**	**78,165**
Other comprehensive income	**7,10**	**-**	**(1,481)**	**(3,552)**
Total comprehensive income for the year		**38,940**	**34,907**	**74,613**

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Notes to first time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		690,836	651,916
Adjustments			
Changes in the accounting policy for revenue recognition from Completion method to Percentage completion method	**4**	2,636	2,261
Impact on depreciation, Repair Costs and fair valuation of certain items of Property, Plant & Equipment and capitalization of dry-dock expenses	**1,10**	22,334	(10,605)
Fair valuation of Employee Loans	**6**	(30)	-
Effective Interest Rate Accounting	**3**	4,512	5,602
Prior Period Policy	**2**	(11,073)	(10,158)
Expected Credit Loss Policy	**5**	(1,468)	(5,762)
Fair valuation of investments	**2**	94	-
Re- classification of Net Actuarial gain on Employee defined benefit obligations	**7**	(529)	-

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first time adoption	31 March 2016	1 April 2015
Deferred Tax	**9**	(35,163)	(36,199)
Profit/Loss due to consolidation of JVs as per equity method		6,182	3,348
Other comprehensive income of JVs due to consolidation		(4,778)	(2,707)
Reversal of impact of consolidation of JVs under previous GAAP		205	1,444
Total adjustments		**(17,078)**	**(52,776)**
Total equity as per Ind AS		**673,758**	**599,141**

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first time adoption	31 March 2016
Profit/(Loss) after tax as per previous GAAP		38,940
Adjustments:		
Changes in the accounting policy for revenue recognition from Completion method to Percentage completion method	**4**	375
Impact on depreciation, Repair Costs and fair valuation of certain items of Property, Plant & Equipment and capitalization of dry-dock expenses	**1**	32,939
Fair valuation of Employee Loans	**6**	(30)
Effective Interest Rate Accounting	**3**	(1,090)
Prior Period Policy	**2**	(967)
Expected Credit Loss Policy	**5**	4,294
Fair valuation of investments	**8**	94
Re- classification of Net Actuarial gain on Employee defined benefit obligations	**7**	952
Deferred Tax	**9**	1,036
Reversal of effects of proportionate consolidation used under previous GAAP	**B**	(1,212)
Share of profit/loss of associate/joint venture		2,834
Total adjustments		**39,225**
Profit after tax as per Ind AS		**78,165**
Other Comprehensive Income (including OCI of associate/joint venture)	**10**	**(3,552)**
Total Comprehensive Income as per Ind AS		**74,613**

Impact of Ind AS adoption on the Consolidated Statements of cash flows for the year ended 31 March 2016.

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	149,004	-	149,004
Net cash flow from investing activities	(1,120)	-	(1,120)
Net cash flow from financing activities	(109,462)	-	(109,462)
Net increase/(decrease) in cash and cash equivalents	**38,422**	**-**	**38,422**
Cash and cash equivalents as at 1 April 2015	11,253	-	11,253
Cash and cash equivalents as at 31 March 2016	**49675**	**-**	**49675**

C: Notes to first-time adoption:

Note A : Consolidation under Previous GAAP was done using proportionate method whereas under IndAS equity method is being followed.

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(All amounts in INR lakhs, unless otherwise stated)

Note B : The following items of income and expenditure were previously proportionately consolidated under previous GAAP.

Particulars	31 March 2016
Revenue from Operations	13,560
Other Income	(586)
Total Revenue	**12,974**
Expenses:	
Cost of Services Rendered	2,639
Employees Benefit Expense	886
Other expenses	131
Finance costs	5,029
Depreciation and Amortisation	3,077
Profit after tax	**1,212**

Note 1: Property, plant and equipment

Under previous GAAP, property, plant and equipments were carried at cost less accumulated depreciation and impairment, if any. On transition to Ind AS, the Group has opted to carry such property, plant and equipments as under

a) Freehold land has been measured at fair value on transition date and that fair value is used as the deemed cost.

b) Certain items of fleet have been measured at fair value and that fair value is used as deemed cost as on transition date.

c) All other assets which are not fair valued have been measured in accordance with Ind AS 16 retrospectively.

d) Under the previous GAAP, dry dock expenses were charged to Profit and Loss account based on stage of completion in the same quarter / financial year. Under Ind AS, Last Dry dock costs incurred even prior to 01.04.2015 are being capitalised and treated as separate component of vessels and being written off over a effective period of the dry dock.

Consequent to above, the total equity as at 31 March 2016 is increased by ₹ 22334 (1 April 2015 – (-) ₹ 10605) with corresponding adjustment of ₹ 10605 to retained earnings and profit for the year ended 31 March 2016 is increased by ₹ 32939.

Note 2: Prior Period Income and Expenses Adjustment

Under previous GAAP, the Group was accounting for prior period items in the year in which errors were identified. Under Ind AS 8, an entity shall correct material prior period errors retrospectively in the first set of financial statements approved for issue after their discovery by:

(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Accordingly, material prior period errors were adjusted by restating the comparative amounts for the prior periods.

Consequent to the above, total equity as at 31 March 2016 has been decreased by ₹ 11075 (1 April 2015 – ₹ 10157) with a corresponding adjustment of ₹ 10157 to retained earning & profit for the year ended 31 March 2016 is decreased by ₹ 967.

Note 3: Borrowing

Under previous GAAP, transaction cost (upfront fee) for borrowings taken for fixed asset were capitalised and amortised over useful life of the fixed asset. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Consequent to above, total equity as at 31 March 2016 is increased by ₹ 4512 (1 April 2015 – ₹ 5602) with a corresponding adjustment of ₹ 5602 to retained earning and profit for the year ended 31 March 2016 decreased by ₹ 1090.

Note 4: Recognition of Revenue and Expenditure

Under previous GAAP, Freight & Direct operating expenses i.e. bunker, port dues, cargo handling expenses etc. were recognised in accounts only on completion of a voyage. In case of unfinished voyage, amount booked 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 unfinished voyages including hire and freight for vessel chartered-in are carried forward as unfinished voyage expenses except in case of time charter. Under Ind AS 18, when the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. Therefore, freight is recognised proportionately as per percentage completion method based on the period of voyage till cut off date and Direct operating expenses incurred till cut off date are now booked pro rata based on the total period of voyage.

(All amounts in INR lakhs, unless otherwise stated)

Consequent to above adjustments, total equity as at 31 March 2016 is increased by ₹ 2636 (1 April 2015 – ₹ 2261) with a corresponding adjustment of ₹ 2261 to retained earning and profit for the year ended 31 March 2016 increased by ₹ 375.

Note 5: Expected Credit Loss

Under previous GAAP, Provision is made for all the debtors aged beyond three years and in case of debtors aged below three years, provision is made for cases like bankruptcy, terminated agents. Under Indian Accounting Standard (Ind AS) 109 , the Group is required to apply expected credit loss model for recognising the allowances for doubtful debts. The Group has applied the simplified approach for providing for expected credit losses and used provision matrix as a practical expedient to measure expected credit losses on its portfolio of trade receivables.

As a result, the allowance for doubtful debts increased by ₹ 1468 as at 31 March 2016 (1 April 2015 - ₹ 5762). Consequently, the total equity as at 31 March 2016 has been decreased by ₹ 1468 (1 April 2015 - ₹ 5762) and profit for the year ended 31 March 2016 increased by ₹ 4294.

Note 6: Fair Valuation of Employee Loan

Under previous GAAP, employee loans at concessional rate were carried at amount lent to the employee and interest income was charged to profit and loss on accrual basis. Under Ind AS 109, Employee loans are fair valued on intitial recognition and subsequently measured at amortised cost with interest income recognised based on effective interest rate method.

Consequent to above adjustments, the total equity as at 31 March 2016 has been decreased by ₹ 30 and profit for the year ended 31 March 2016 decreased by ₹ 30 .

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 952.

Note 8: Fair valuation of investments

Under the previous GAAP, investment in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, same are required to be fair valued and subsequently to be measured at Fair value through P&L.

Consequent to above, the Group has fair valued in investments in equity instruments which has resulted in increase in total equity by ₹ 94 as at 31st March 2016 and increase in profit for the year ended 31 March 2016 ₹ 94 .

Note 9: Deferred Tax

Under previous GAAP, deferred taxes were recognised for the tax effects of timing differences between accounting profit and taxable profit for the year using the income statement approach. However, the Group was covered under tonnage tax scheme for shipping companies. Accordingly, the Group was not required to give effects to timing differences as contemplated under AS 22 “”Accounting for taxes on income””. Under Ind AS, deferred taxes are required to be recognised using the Balance Sheet approach for future tax consequences of temporary differences (other than those are covered in tonnage tax scheme) between the carrying value of assets and liabilities and their respective tax bases.

Consequent to above, the total equity as at 31 March 2016 is decreased by ₹ 35163 (1 April 2015 – ₹ 36199) with corresponding adjustment of ₹ 36199 to retained earnings and profit for the year ended 31 March 2016 is increased by ₹ 1036.

Note 10: Fair valuation of freehold land and certain items of PPE

As on transition date, the Group has decided to fair value certain items of PPE including freehold land and used that as deemed cost as at that date. Details of fair values and adjustment to the carrying amount are as under:

Particulars	Fair value Amount	Adjustment to carrying amount as reported under IGAAP
Freehold land	237,630	237,359
Fleet	643,502	(264,945)
Total	**881,132**	**(27,586)**

Note 11: Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 12: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

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(All amounts in INR lakhs, unless otherwise stated)

Note 4: Property, plant and equipment

Particulars	Freehold Land	Buildings	Ownership Flats & Residential Buildings	Fleet	Fleet Drydock	Ownership Container	Furniture, Fittings & Equipments	Moter Vehicles	Total
Year ended 31 March 2016									
Gross carrying amount	-	-	-	582,582	-	-	-	-	582,582
Deemed Cost as at 1st April 2015	237,630	735	141	643,502	16,518	-	1,026	8	899,560
Additions	-	372	-	85,981	15,243	-	115	-	101,711
Other Adjustments	-	-	(1)	-	-	-	-	-	(1)
Closing gross carrying amount	**237,630**	**1,107**	**140**	**1,312,065**	**31,761**	**-**	**1,141**	**8**	**1,583,852**
Accumulated depreciation									
Opening accumulated depreciation	-	-	-	348,184	-	-	-	-	348,184
Depreciation charge during the year	-	24	5	43,669	8,975		316	4	52,993
Deductions and Adjustments	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**-**	**24**	**5**	**391,853**	**8,975**	**-**	**316**	**4**	**401,177**
Net carrying amount	**237,630**	**1,083**	**135**	**920,212**	**22,786**	**-**	**825**	**4**	**1,182,675**
Year ended 31 March 2017									
Gross carrying amount									
Opening gross carrying amount	237,630	1,107	140	1,312,065	31,761	-	1,141	8	1,583,852
Additions	-	-	-	1,289	14,943	-	371	-	16,603
Assets classified as held for sale (Note 11)	-	-	-	(662)		-	-	-	(662)
Disposals	-	-	-	(6,510)		-	(1)	-	(6,511)
Closing gross carrying amount	**237,630**	**1,107**	**140**	**1,306,182**	**46,704**	**-**	**1,511**	**8**	**1,593,282**
Accumulated depreciation									
Opening accumulated depreciation	-	24	5	391,853	8,975	-	316	4	401,177
Depreciation charge during the year	-	28	5	45,063	11,191	-	275	4	56,566
Assets classified as held for sale (Note 11)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(5,523)	-	-	-	-	(5,523)
Closing accumulated depreciation	**-**	**52**	**10**	**431,393**	**20,166**	**-**	**591**	**8**	**452,220**
Net carrying amount	**237,630**	**1,055**	**130**	**874,789**	**26,538**	**-**	**920**	**-**	**1,141,062**

Notes

(1) Additions to Fleet include ₹ 8995 lakhs (Previous year ₹ 37631 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy No. 1.2(b)

(2) Buildings include cost of Shipping House at Mumbai ₹ 134 lakhs (31st March 2016, ₹ 134 lakhs and 31st March 2015, ₹ 134 Lakhs) which is on leasehold land wherein the value of lease is considered at Re 1.

(3) 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).

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Note 5: Capital Work-in-Progress

Particulars	As at April 1, 2015	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2016	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2017
(A) Construction Work in Progress							
Asset under Construction excluding advance	43,152	-	43,152	-	2,733	-	2,733
(B) Costruction Period Expenses							
a. Interest	1,747	-	1,747	-	-	-	-
b. Other directly attributable expenses	352	-	352	-	-	-	-
c. Exchange fluctuation	3,843	-	3,843	-	-	-	-
Total (A+B)	**49,094**	**-**	**49,094**	**-**	**2,733**	**-**	**2,733**

Note 6 (a): Intangible assets

Particulars	Computer Software	Total
Year ended 31 March 2016		
Gross carrying amount		
Deemed cost as at 1 April 2015	1,225	1,225
Additions	54	54
Closing gross carrying amount	**1,279**	**1,279**
Accumulated amortisation		
Amortisation charge for the year	1,233	1,233
Closing accumulated amortisation	**1,233**	**1,233**
Closing net carrying amount	**46**	**46**
Year ended 31 March 2017		
Gross carrying amount		
Opening gross carrying amount	1,279	1,279
Closing gross carrying amount	**1,279**	**1,279**
Accumulated amortisation		
Opening accumulated amortisation	1,233	1,233
Amortisation charge for the year	40	40
Closing accumulated amortisation	**1,273**	**1,273**
Closing net carrying amount	**6**	**6**

6(b): Investments accounted for using the equity method

Particulars	Face value	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		No.of shares/Units	Rupees in lakhs	No.of shares/Units	Rupees in lakhs	No.of shares/Units	Rupees in lakhs
Investment in equity instruments (fully paid-up)							
Unquoted							
In Joint Venture							
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 1) Ltd.	2.33 Euro	2908	4841	2908	2098	2908	1176
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.	2.33 Euro	2908	4999	2908	2040	2908	764
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.	1 USD	2600	-	2600	-	2600	-
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Ltd.	1 USD	11036558	3663	4268732	-	2107612	-
1,00,000 (Prev.yr.1,00,000) shares of ₹ 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.		-	-	-	-	100000	7
Total			**13,503**		**4,138**		**1,947**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(A) 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.

(B) 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.

(C) 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. However, M/s Petronet LNG Ltd (PLL), the Charterer had acquired a stake of 26% on 14th February, 2017 for which MOL and K line had foregone 10.33% and 15.67% respectively.The Joint Venture owns and operates Vessel Prachi of about 173,000 CBM and is under 19 year Time Charter Agreement with PLL. The vessel was delivered in November 2016 at Ulsan and is operating from Barrow Islands, Australia to Dahej, India.

(D) 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.Consequently the investment has been transferred to "Assets held for sale" during FY 15-16

Note 7: Financial assets

Note 7(a): Non-current investments

Particulars	Face value	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		No. of shares/Units	Rupees in lakhs	No. of shares/Units	Rupees in lakhs	No. of shares/Units	Rupees in lakhs
Investment in equity instruments (fully paid-up)							
Unquoted							
Investment carried at fair value through Profit or loss							
5,00,00,000 (Prev. yr. 5,00,00,000) Ordinary Shares of ₹ 10 each fully paid of Sethusamudram Corp. Ltd.	10		5000		5000		5000
Less: Loss allowance			5000		5000		5000
			-		-		-
3438 Equity Shares of ₹ 20/- each of Scindia Steam Navigation Company Ltd., fully paid (₹ 0.30 lakhs ; Prev. yr. ₹ 0.30 lakhs)	₹ 20	3438	-	3438	-	3438	-
Less: Loss allowance			-		-		-
			-		-		-
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd.	10	60000	99	60000	99		-
Total (equity instruments)			**99**		**99**		**-**
Total non-current investments			99		99		-
Aggregate amount of unquoted investments			5,099		5,099		5,000
Aggregate amount of impairment in the value of investments			5,000		5,000		5,000

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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 7(b): Loans

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Unsecured, considered good						
Loans to related parties	26,398	23	28,607	23	29,064	23
Loans to employees	340	1,467	271	1,500	357	1,198
Total loans	**26,738**	**1,490**	**28,878**	**1,523**	**29,421**	**1,221**

Note 7(c): Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Earmarked Balance with Bank towards unpaid dividend	27	46	53
Margin money for Bank Guarantee	14	14	14
Other Deposits with banks*	80,401	78,804	114,294
Total Bank balances other than cash and cash equivalents	**80,442**	**78,864**	**114,361**

*Refer Note 32 for Deposits pledged with banks for Borrowings

*Fixed deposit includes unutilised funds of FPO as on 31st March 2017 is ₹ 29,628 lakhs (as on 31st March 2016 ₹ 33,065 lakhs).

Note 7(d): Other financial assets

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial Assets carried at amortised cost						
Advances recoverable in cash						
- From Related Parties (Refer Note no 29 for details)						
Interest Receivable (Unsecured, Considered Good)	305	-	15	-	15	-
Bank deposits with more than 12 months maturity						
- Term Deposits	-	20	-	79	-	1
- Other bank balances (Margin money deposit towards bank guarantee)	-	-	-	-	-	-
Income accrued on deposits/investments	2,564	-	1,949	-	2,076	-
Claim Recoverable	1,310	-	772	-	1,571	-
Security Deposits Unsecured - Considered Good	241	-	189	-	183	-
Unbilled Revenue	11,533	-	7,317	-	7,876	-
Others	231	-	14	-	14	-
Total other financial assets	**16,184**	**20**	**10,256**	**79**	**11,735**	**1**

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(All amounts in INR lakhs, unless otherwise stated)

Note 7(e): Current investments

Particulars	Face value	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs
Investment carried at fair value through profit or loss							
Unquoted							
(a) Investment in equity instruments (fully paid-up)							
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.)	1 USD	295,029	-	295,029	-	295,029	-
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)	₹ 10	500	-	500	-	500	-
Total(Equity instruments)			**-**		**-**		**-**
(b) Investments in Mutual Funds							
3,73,327.494 Units of UTI Money Market Fund - Institutional Plan - Direct Plan - Daily Dividend Reinvestment		-	-	373,327	3,746	764,343	7,669
Total (mutual funds)		**-**			**3,746**		**7,669**
Total current investments			**-**		**3,746**		**7,669**
Aggregate amount of quoted investments and market value thereof			-		-		-
Aggregate amount of unquoted investments			-		3,746		7,669
Aggregate amount of impairment in the value of investments			-		-		-

Note 7(f): Trade receivables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade Receivable*	82,561	86,464	93,591
Less: Allowance for doubtful debts	(16,690)	(18,281)	(20,273)
Total receivables	**65,871**	**68,183**	**73,318**
Current Portion	65,871	68,183	73,318
Non Current Portion	-	-	-

Break up of above details

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good	70,945	75,530	83,171
Unsecured, considered Doubtful	11,616	10,934	10,420
Total	**82,561**	**86,464**	**93,591**
Less: Allowance for doubtful debts	16,690	18,281	20,273
Total trade Receivables	**65,871**	**68,183**	**73,318**

*Significant Receivables from related parties (refer note 29)

Note 7(g): Cash and cash equivalents

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- in current accounts	8,012	8,423	9,732
- interbank Transfer	-	-	1
- in deposits account with original maturity of less than three months	49,114	41,250	1,511
Cash on hand	3	9	9
Total cash and cash equivalents	**57,129**	**49,682**	**11,253**

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 8: Income Tax Assets (net)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income Tax Assets(Net) *	11894	10493	6849
Total Income Tax Assets(Net)	**11,894**	**10,493**	**6,849**

* Refer Note no. 28 for further details.

Note 9: Other assets

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances						
Advances to suppliers	-	-	-	-	-	8,344
Advances to employees						
i) Secured, Considered Good	-	-	-	-	-	-
ii) Unsecured, Considered Good	353	-	806	-	364	-
	353	-	806	-	364	-
Advances to Others						
i) Unsecured, Considered Good	6,311	-	9,559	-	8,274	-
ii) Unsecured, Considered Doubtful	1,393	-	1,404	-	1,339	-
	7,704	-	10,963	-	9,613	-
Less : Provision for Doubtful Advances	1,393	-	1,404	-	1,339	-
	6,311	-	9,559	-	8,274	-
(b) Others						
Excess - Gratuity Fund	-	5,357	-	4,436	-	5,578
Balances with statutory authorities						
- Cenvat Credit Receivables	3,794	-	7,701	-	4,616	-
- VAT receivable	-	-	-	-	-	-
- Service tax paid under Protest	-	2,925	-	767	-	767
- Advance Service Tax	1,518	-	1,064	-	-	-
- Others	1,355	-	-	-	-	-
	6,667	2,925	8,765	767	4,616	767
MAT Credit						
Opening						
Add : Credit during the year	1,132	-	2,450	-	-	-
Less : MAT Credit Availed	1,132	-	2,450	-	-	-
	-	-	-	-	-	-
Subsidy for Passenger service (Myanmmar)	470	-	-	-	-	-
Prepaid Expenses	403	-	602	-	312	-
Others	1	823	1	832	-	709
Total other assets	**14,205**	**9,105**	**19,733**	**6,035**	**13,566**	**15,398**

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(All amounts in INR lakhs, unless otherwise stated)

Note 10: Inventories

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fuel Oil	11,521	8,558	8,646
Stores and spares	-	-	547
Total inventories	**11,521**	**8,558**	**9,193**

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

Note 11: Assets classified as held for sale

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fleet and Container held for Sale	683	28	31
Investment held for Sale			
1,00,000 (Prev.yr.1,00,000) shares of ₹ 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.	7	7	-
Irano Hind Shipping Co. Ltd.	39	39	39
Less: Impairment loss allowance	39	-	-
	-	39	39
Total assets held for sale	**690**	**74**	**70**

a) The Group 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). It has been decided by the joint venture partners to dissolve this Company. Under Ind AS investment in Irano Hind has been written off during FY 16-17 to reflect its fair value.

b) The Group 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.

Non-recurring fair value measurements

Investments classified as held for sale during the reporting period is measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of ₹ 39 as impairment loss in the statement of profit and loss. The fair value of the investments were determined using the book value approach. This is a level 3 measurement as per the fair value hierarchy as set out in fair value measurement disclosures (refer note 34).

Note 12: Equity Share capital

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
1,00,00,00,000 [31 March 2016: 1,00,00,00,000 and 1 April 2015: 1,00,00,00,000] Equity Shares of INR 10 each	100,000	100,000	100,000
Issued, subscribed and fully paid up			
46,57,99,010 [31 March 2016: 46,57,99,010 and 1 April 2015: 46,57,99,010] Equity Shares of INR 10 each	46,580	46,580	46,580
	46,580	**46,580**	**46,580**

(All amounts in INR lakhs, unless otherwise stated)

a) Reconciliation of number of shares

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares :						
Balance as at the beginning of the year	465,799,010	4,657,990,100	465,799,010	4,657,990,100	465,799,010	4,657,990,100
Add: Bonus shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Balance as at the end of the year	**465,799,010**	**4,657,990,100**	**465,799,010**	**4,657,990,100**	**465,799,010**	**4,657,990,100**

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% of share holding	No. of shares	% of share holding	No. of shares	% of share holding
Equity Shares :						
1. President of India	296,942,977	63.75	296,942,977	63.75	296,939,920	63.75
2. Life Insurance Corporation of India	65,796,899	14.13	65,796,899	14.13	65,801,520	14.13
	362,739,876	**77.88**	**362,739,876**	**77.88**	**362,741,440**	**77.88**

c) 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.

d) **Rights/Preference/Restriction attached to Equity Shares**

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

e) The Company does not have holding Company.

f) There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.

Note 13:

Note 13(a): Reserves and surplus

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital reserve	14,298	14,298	14,298
Securities premium reserve	52,177	52,177	52,177
General reserve	552,778	543,728	404,827
Tonnage Tax Reserve	750	9,050	50
Tonnage Tax Reserve Utilised	-	-	138,900
Retained Earnings	30,350	12,700	(54,984)
Total reserves and surplus	**650,353**	**631,953**	**555,268**

(i) Capital reserve

Particulars	As at 31 March 2017	As at 1 April 2016
Opening balance	14,298	14,298
Closing Balance	14,298	14,298

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(ii) Securities premium account

Particulars	As at 31 March 2017	As at 1 April 2016
Opening balance	52,177	52,177
Closing Balance	52,177	52,177

(iii) General reserve

Particulars	As at 31 March 2017	As at 1 April 2016
Opening balance	543,728	404,828
Add: Transfer from Retained Earnings	-	-
Add: Transfer from Tonnage Tax Reserve (Utilised)	9,050	138,900
Closing Balance	**552,778**	**543,728**

(iv) Tonnage Tax Reserve

Particulars	As at 31 March 2017	As at 1 April 2016
Opening balance	9,050	50
Less: Transfer to Tonnage Tax Reserve (Utilised)	9,050	-
Add: Transfer from Surplus in the Statement of Profit or Loss	750	9,000
Closing Balance	**750**	**9,050**

(v) Tonnage Tax Reserve (Utilised)

Particulars	As at 31 March 2017	As at 1 April 2016
Opening balance	-	138,900
Add: Transfer from Tonnage Tax Reserve	9,050	-
Less: Transfer to General Reserve	9,050	138,900
Closing Balance	**-**	**-**

(vi) Surplus in the Consolidated Statement of Profit and Loss

Particulars	As at 31 March 2017	As at 1 April 2016
Opening balance	12,700	(54,984)
Add: Profit for the year	13,544	75,331
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	838	(1,481)
Share of profits of associates and joint ventures, net of tax	4,018	2,834
Adjustments:		
Less: Tonnage Tax Reserve	750	9,000
Closing Balance	**30,350**	**12,700**

Note 13(b): Other reserves

Particulars	Cash Flow Hedging Reserve	Foreign currency translation reserve	Total other reserves
As at 1 April 2015	(2,707)	-	(2,707)
Share of OCI of associates and joint ventures, net of tax	(2,225)	-	(2,225)
Currency translation differences	-	157	157
As at 31 March 2016	**(4,932)**	**157**	**(4,775)**
Share of OCI of associates and joint ventures, net of tax	1,481	-	1,481
Currency translation differences	-	(766)	(766)
As at 31 March 2017	**(3,451)**	**(609)**	**(4,060)**

Nature and Purpose of other reserves

Capital Reserve: The Companies Act, 2013 requires the Company to create capital reserve based on statutory requirement. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(All amounts in INR lakhs, unless otherwise stated)

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

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.

Note 14: Financial liabilities

Note 14(a): Long-term borrowings

Particulars		As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
		Non Current	Current*	Non Current	Current*	Non Current	Current*
Secured							
Term Loans:							
Rupee loans from banks	A	-	842	843	1,729	2,575	1,729
Foreign currency loans from banks	B	307,763	143,204	454,776	127,128	549,111	119,965
Total	**C**	**307,763**	**144,046**	**455,619**	**128,857**	**551,686**	**121,694**

Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	108,964	93,182	76,199	29,418

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

The carrying amounts of financial and non-financial assets pledged as security are disclosed in note 32.

Note 14(b): Other financial liabilities

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Financial Liablilities at amortised cost						
Security Deposits	1,038	38	959	9	884	41
Current maturities of long-term debt	144,046	-	128,857	-	121,694	-
Interest accrued but not due on borrowings	3,272	-	3,033	-	2,897	-
Unpaid Dividend	27	-	46	-	53	-
Others						
Other Deposits payable	428	-	348	-	334	-
Payable to Related Parties (refer note no. 29)	19,223	-	18,356	-	16,178	-
Employee related Liabilities	6,966	-	9,421	-	8,433	-
Others	4,279	-	2,510	-	3,050	-
Total other financial liabilities	**179,279**	**38**	**163,530**	**9**	**153,523**	**41**

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(All amounts in INR lakhs, unless otherwise stated)

Note 14(c): Current borrowings

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured*			
from Banks repayable on demand	97,420	-	3,500
Current borrowings (as per Balance Sheet)	**97.420**	**-**	**3,500**

*The carrying amounts of financial assets pledged as security are disclosed in note 32.

Note 14(d): Trade payables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables			
i) Dues of Micro & Small Enterprises	1,585	515	547
ii) Others *	113,644	109,396	109,039
Total trade payables	**115,229**	**109,911**	**109,586**

* Significant Payable from related parties (refer note 29)

Disclosure requirement under MSMED Act, 2006

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Principal amount remaining unpaid to suppliers at the end of the period	1,585	515	547
Interest accrued and due to suppliers on the above amount	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the period	-	-	-
Interest paid to suppliers under the Act, (Other than Section 16)	-	-	-
Interest paid to suppliers under the Act, (Section 16)	-	-	-
Interest due and payable to suppliers under the Act, for payments already made	-	-	-
Interest accrued and remaining unpaid at the year end.	-	-	-

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 availabe with the Company.

Note 15: Deferred Tax Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax -upward valuation of PPE	34362	35163	36199
Deferred Tax Liabilities(Net)	**34,362**	**35,163**	**36,199**

Note 16: Other current liabilities

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Unearned Revenue	4,843	-	2,216	-	4,266	-
Advances and Deposits	8,421	-	10,510	-	3,403	-
Others						
Employee Related Liabilities	1,743	-	1,992	-	1,023	-
Statutory dues	1,176	-	1,050	-	869	-
Others Current Liabilities	3	-	6	-	6	-
Subsidy for Passenger service (Myanmmar)	-	-	99	-	159	-
Total other current liabilities	**16,186**	**-**	**15,873**	**-**	**9,726**	**-**

The Shipping Corporation of India Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 17: Provisions

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Employee Benefit Obligations						
Provision for gratuity	-	-	-	-	-	-
Provision for leave encashment	554	5,085	635	5,068	685	4,372
Post Retirement Medical Scheme	-	3,489	502	3,828	126	3,784
Pension	-	-	-	5,663	-	5,641
	554	**8574**	**1137**	**14559**	**811**	**13797**
Other Provisions						
Foreign Taxation*	-	-	1,440	-	1,440	-
Insurance & cargo claims**	414	-	974	-	829	-
Losses on unfinished voyage***	-	-	1,089	-	-	-
	414	**-**	**3,503**	**-**	**2,269**	**-**
Total	**968**	**8,574**	**4,640**	**14,559**	**3,080**	**13,797**

Short term provision	As at 31st March 2016	Provided during the year	Utilised during the year	Amount reversed	As at 31st March 2017
Other Provisions					
Foreign Taxation*	1,440	-	-	1,440	-
Insurance & cargo claims**	974	1,416	1,972	4	414
Losses on unfinished voyage***	1,089	-	-	1,089	-
	3,503	**1,416**	**1,972**	**2,533**	**414**

* Represents provision of tax on freight earned outside India.

** Represents provision of amount payable/born by the Company against Insurance & cargo claims.

***Represents estimated loss on unfinished voyage recognised in accounts.

Note 18: Revenue from operations

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Freight	244,582	277,019
Charter Hire	72,615	96,268
Demurrage	14,631	20,253
Contract Revenue:		
Core shipping activities	154	447
Incidental activities	4,927	4,011
Reimbursement of overheads	3,815	3,579
Total	**340,724**	**401,577**

Note 19: Other Operating Revenue

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Training & Consultancy fee	2,123	1,633
Sundry Receipts (Core)	54	52
Sundry Receipts (Incidental)	120	84
Excess Provisions & Unclaimed Credit Written Back	642	851
Recovery of Insurance & PI Claims	1,024	791
Total	**3,963**	**3,411**

The Shipping Corporation of India Limited

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(All amounts in INR lakhs, unless otherwise stated)

Note 20: Other Income

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	7,557	8,690
b) Loans to Employees	174	160
c) Loans to Joint Venture (Refer Note no.29)	2,086	2,555
d) Others	827	6
Dividend From Mutual Fund	44	625
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	572	-
b) Sale of Other Fixed Assets	231	1,245
Profit on sale of investments	-	-
Profit on sale of bunker	74	-
Net gain on Foreign Currency Transaction / Translation	223	1,137
Income from Rescindment of Contracts	-	1,953
Gain or Loss on Fair valuation of investment	-	93
Reversal of Foreign Tax	1,338	-
Provision written back	1,323	-
Other Miscellaneous Income	74	15
Total	**14,523**	**16,479**

Note 21: Cost of services rendered

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Direct Operating Expenses :		
Agency Fees	1,543	2,289
Brokerage	2,200	3,097
Commission	725	784
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses on Joint Sector Container Services (Net)	17,279	17,287
Marine, Light And Canal Dues	36,456	34,041
Fuel Oil (Net)	65,718	61,280
Water Charges	615	330
Hire of Chartered Steamers	43,288	50,190
Other Indirect Operating Expenses		
Transfer and Repatriation and Other Benefits	224	190
Stores & Spares *	16,197	16,261
Sundry Steamer Expenses	2,334	2,244
Repairs and Maintenance and Survey Expenses	18,700	12,113
Insurance and Protection , Indemnity Club Fees & Insurance Franchise	7,244	8,117
Provision for Off Hire Etc.	1,606	1,653
Total	**214,129**	**209,876**

*includes amount of ₹ 620 lakhs towards Served from India Scheme (SFIS).Under SFIS, Scrips received are utilised against the custom duty liability & SFIS scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant. Under this SFIS, Scrips received are utilised against the custom duty liability & SFIS scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

(All amounts in INR lakhs, unless otherwise stated)

Note 22: Employee benefit expense

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A) Floating staff		
Wages, Bonus and Other Expenses on Floating Staff	30,713	31,422
Gratuity	110	(81)
Contribution to Provident Fund	315	318
B) Shore Staff		
Salaries, Wages, Bonus etc	12,961	15,191
Gratuity	25	(71)
Contribution to Provident & Other Funds	(10)	850
Contribution to Pension	1,393	870
C) Remuneration to Directors	258	201
Total	**45,765**	**48,700**

Note 23: Finance costs

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest on:		
- Rupee term loans	1,293	1,410
- Foreign currency loans	14,652	15,628
- Others	1,082	37
Other borrowing costs	188	112
Total	**17,215**	**17,187**

Note 24: Depreciation and amortisation expense

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on property, plant and equipment	56,566	52,992
Amortisation of Intangible Assets	41	1,233
Total	**56,607**	**54,225**

Note 25: Generation, administration and other expenses

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Other Expenses		
Power & Fuel	595	583
Rent	316	298
Repairs and Maintenance		
- Building	727	616
- Others	1,373	1,360
Insurance	85	90
Rates and Taxes	189	218
Auditors' Remuneration *(Detail in Note No. 25(a))	60	63
Establishment Charges	2,183	1,707
Advertisement & Publicity	394	246
Legal & professional	988	1,209

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Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Postage,Telephone Telegram & Telex	139	17
Printing & stationery	156	158
Training, Seminar & Conference Fee	531	387
Travel & Conveyance	470	399
Directors' Sitting Fees	10	-
Directors' Travel Expenses	45	34
Debts / Advances written off	7	23
Interest and Penalties	36	1,756
Bank Charges	111	534
Service tax ineligble for CENVAT	261	3,462
Preliminary expenses of ICSL Ltd.	9	-
CSR Expenditure**(Detail in Note no 25(b))	157	35
Provisions		
Provision for Doubtful Debts and Advances	(1,099)	(1,807)
Foreign Taxation	(4)	57
Provision for loss on unfinished voyage	-	1,089
Provision for dimunition in value of investment	39	-
Total	**7,778**	**12,534**

Note 25(a): Details of payments to auditors

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Payment to auditors		
Statutory auditors		
a) Audit fees	31	32
b) Certification Work	22	27
c) Travelling & Out of Pocket Expenses	7	4
Total	**60**	**63**

Note 25(b): Corporate social responsibility expenditure

31 March 2017

Particulars	Total
Gross amount required to be spent by the Company during the year	319
Amount spent and paid during the year on	
(a) Construction/acquisition of any asset	135
(b) On purpose other than (a) above	22
Total	**157**

31 March 2016

Particulars	Total
(i) Gross amount required to be spent by the Company during the year	-
(ii) Amount spent and paid during the year on	
(a) Construction/acquisition of any asset	23
(b) On purpose other than (a) above	12
Total	**35.00**

(All amounts in INR lakhs, unless otherwise stated)

Note 26: Earnings per share

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company (A)	17,562	78,165
Basic and Diluted earnings per share attributable to the equity holders of the company (A/B)	3.77	16.78

(b) Weighted average number of shares used as the denominator

Particulars	31 March 2017 No. of shares	31 March 2016 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (B)	465,799,010	465,799,010

Note 27: Contingent Liabilities And Commitments

(a) Contingent Liabilities

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I.	**Claims against the company not acknowledged as debts**			
	A. Legal cases towards Claim against Dry Dock	5100	4881	4662
	B. Cargo loss,Freight,Demurrage,Slot payments, Fuel cost other operational claims and custom duty disputed demand	19986	30523	5083
	C. Disputed demand of Statutory Dues			
	a) Income Tax & Sales Tax	19306	19306	18970
	b) Service Tax	163056	97108	2
II.	**Guarantees given by the Banks**			
	On behalf of the company	3352	4907	4745
	On behalf of Joint Venture to the extent of the company's share	6197	7183	6735
III.	**Undertaking cum Indemnity given by Company**	nil	nil	nil
IV.	**Cargo claims covered by P&I Club**	78	4779	8396
V.	**Bonds/Undertakings given by the Company to Customs Authorities**	28756	28341	25635
VI.	**Corporate Guarantees/Undertakings**			
	a) In respect of Joint ventures	Not Ascertained	Not Ascertained	Not Ascertained
	b) Others	3616	3957	5820

(b) Commitments

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I.	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	30456	nil	68
II.	Uncalled liability on shares and other investments partly paid	nil	nil	nil
III.	Other Commitments in the form of equity share with JVS	nil	5,017	6,449

Note 28: Income taxes

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

(a) Deferred Tax

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax relates to the following:			
Upward fair valuation of PPE	34,362	35,163	36,199
Net Deferred Tax Liabilities	**34,362**	**35,163**	**36,199**

(All amounts in INR lakhs, unless otherwise stated)

(b) Movement in deferred tax liabilities

Particulars	March 31, 2017	March 31, 2016
Opening balance as of April 1	35,163	36,199
Tax income/(expense) during the period recognised in profit or loss	(801)	(1,036)
Closing balance as at March 31	**34,362**	**35,163**

(c) Income tax recognised in profit or loss

Particulars	31 March 2017	31 March 2016
Income tax expense		
Current tax		
Current tax on profits for the year	6,105	7,100
Deferred tax	(801)	(1,036)
MAT Credit adjusted	(1,132)	(2,450)
Income tax expense	**4,172**	**3,614**

(d) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2017	31 March 2016
Profit before income tax expense	17,724	78,942
Less: Income subject to tonnage taxation	(2,666)	(26,904)
Profit before tax, adjusted	**15,058**	**52,038**
Tax computed using statutory tax rate of 34.61 %	5,211	18,009
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Impact of tonnage tax scheme	1,086	1,076
Exempt income - Dividend from mutual funds	(15)	(216)
Deferred tax not recognised due to tonnage tax scheme	-	(12,654)
MAT credit utilised for the year	(1,132)	(2,450)
Reversal of Deferred Tax Liability	(801)	(1,036)
Others	(177)	884
Income tax expense	**4,172**	**3,614**

Basis of applicable tax rate :

Normal Tax rate	30%
Surcharge	12%
Secondary and higher education cess	3%
Applicable Tax rate	**34.61%**

(e) Current tax liabilities

Particulars	31 March 2017	31 March 2016
Opening balance	-	-
Add: Current tax payable for the year	6,105	7,100
Less: Taxes paid	(6,105)	(7,100)
Closing balance	**-**	**-**

(All amounts in INR lakhs, unless otherwise stated)

Note 29: Related party transactions

(a) Control

Government of India enterprises controlled by Central Government

(b) Subsidiaries

Inland & Coastal Shipping Ltd is the 100 percent Subsidiary formed during 2016-17

(c) Joint Venture Companies

1. Irano Hind Shipping Co. Ltd.
2. India LNG Transport Co. (No. 1) Ltd.
3. India LNG Transport Co. (No. 2) Ltd.
4. India LNG Transport Co. (No. 3) Ltd.
5. India LNG Transport Co. (No. 4) Ltd.
6. SAIL SCI Shipping Pvt. Ltd.

(d) Key Management Personnel

Executive Director

1. Shri A.K.Sharma(W.e.f 12.09.2016)
2. Shri B.B. Sinha
3. Shri S.Narula
4. Shri S.V Kher(W.e.f 01.10.2015)
5. Smt H.K. Joshi
6. Shri K.Devadas(Retired on 28.02.2017)
7. Shri A.K. Gupta(Retired on 31.12.2015)
8. Shri S.Thapar(Retired on 30.09.2015)
9. Shri Dipankar Haldar

Non Executive Director

1. Shri Sanjeev Ranjan (ceases to be on the Board of SCI w.e.f. 13.01.2017)
2. Shri Barun Mitra (ceases to be on the Board of SCI w.e.f. 02.03.2017)
3. Shri Pravir Krishn (W.e.f. 03.03.2017)
4. Shri Arun Balakrishnan
5. Shri Sukamal Chandra Basu

Key management personnel compensation

	Short-term employee benefits		Post-employment benefits		Long-term employee benefits		Employee share-based payment	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
1. Shri A.K.Sharma(W.e.f 12.09.2016)	15	-	2	-	-	-	-	-
2. Shri B.B. Sinha	36	28	18	2	-	-	-	-
3. Shri S.Narula	28	28	18	2	-	-	-	-
4. Shri S.V. Kher(W.e.f 01.10.2015)	30	14	17	1	-	-	-	-
5. Smt H.K. Joshi	26	25	7	2	-	-	-	-
6. Shri K.Devadas(Retired on 28.02.2017)	47	26	17	2	-	-	-	-
7. Shri A.K. Gupta(Retired on 31.12.2015)	-	47	-	2	-	-	-	-
8. Shri S.Thapar(Retired on 30.09.2015)	-	32	-	1	-	-	-	-
9. Shri Dipankar Haldar	26	23	17	2	-	-	-	-
Total	**210**	**224**	**95**	**16**	**-**	**-**	**-**	**-**

Note :- As the liabilities for gratuity and leave encashment are provided on actuarial basis for the company as a whole the amounts pertaining to Key management personnel compensation are not included in the above table.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with JVS and Outstanding Balances

Nature of Transactions	31 March 2017	31 March 2016
1) Interest Income	2,086	2,555
2) Interest receivable	305	15
3) Expenses Reimbursed	77	77
4) Management & Accounting fees earned	1,476	1,305
5) Guarantee fees received	61	58
6) Interest Charged	(1,221)	1,221
7) Investment made during the year	4,631	1,432
8) Loans realised during the year	2,155	2,317
9) Guarantees Given for JVS	6,197	7,183
10) Loans Given during the year	386	-
11) Interest amount compounded in to principal	47	175
Outstanding Balances		
1) Investments	13,503	4,138
2) Loan Balances	26,421	28,630
3) Payable on account of Ship	19,223	18,356

(f) Transactions with Government related entities

Significant Transactions

Particulars	Entity 1		Entity 2		Entity 3		Entity 4	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Revenue	46,038	50,909	71,232	88,139	22,559	33,512	17,880	28,089
Purchases	9,962	7,378	8,738	6,898	3,080	4,741	-	-
Trade Receivable	3,367	9,925	3,371	11,354	2,245	2,165	15,847	8,241
Trade Payable	157	349	387	91	171	212	-	-

Other than Significant Transactions

Particulars	31 March 2017	31 March 2016
Revenue	60,165	37,777
Purchases/services	8,775	2,312
Trade Receivable	5,292	6,336
Trade Payable	15,862	15,957

Transactions with other government-related entities

Apart from the transactions disclosed in (f) above, the Company also conducts business with other government related entities. The Company has bank deposits, borrowings and other general banking relations with PSU banks. Other than the substantial amount of bank balances, bank borrowings and the facilities with these banks, transactions with other government related entities are individually insignificant.

(g) Other transactions with related parties

The following transactions occurred with related parties:

	31 March 2017	31 March 2016
Sitting Fees	10	-

Note 30: Segment information

(a) Business Segments

The Company is managed by the Board which is the chief decision maker. The Board has determined the operating segments based on the pattern of vessels deployed by the Company, for the purposes of allocating resources and assessing performance.

(I) Liner

Liner segment includes break-bulk, container transport, passenger vessels & research vessels managed on behalf of other organisations.

(II) Bulk

Bulk Carriers include dry bulk carriers.

(III) Tanker

Tankers segment includes both crude and product carriers, gas carriers, phosphoric acid carriers.

(IV) T&OS

Technical & Offshore services segment includes company owned offshore vessels, offshore vessels managed on behalf of other organisations and income from technical consultancy.

(V) Others

Others segment include income earned from Maritime Training Institute.

(VI) Unallocated

Unallocable items and interest income/expenses are disclosed separately.

Expense and Revenue items are allocated vessel wise wherever possible. Expenses and 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 higher.

(b) Geographical Segments

Presently, the Company's operations are predominantly confined in India.

(c) Adjusted EBIT

Adjusted EBIT excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

EBIT	31 March 2017	31 March 2016
Liner	(9,554)	(13,495)
Bulk	(20,425)	(15,640)
Tanker	50,610	100,295
T&OS	2,989	13,480
Others	1,329	1,006
Unallocated	3,356	1,909
Total adjusted EBIT	**28,305**	**87,555**

*Tanker EBIT includes ₹ 4019 lacs and ₹ 2837 lacs for 31st March 17 and 31st March 16 respectively on account of equity consolidation of joint ventures.

Adjusted EBIT reconciles to profit before income tax as follows:

	31 March 2017	31 March 2016
Total adjusted EBIT	28,305	87,555
Finance costs	17,215	17,187
Interest income from investments	10,644	11,411
Profit before income tax from continuing operations	**21,734**	**81,779**

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(All amounts in INR lakhs, unless otherwise stated)

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	31 March 2017			31 March 2016		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	44,590	-	44,590	52,129	-	52,129
Bulk	20,641	-	20,641	22,788	-	22,788
Tanker	258,011	-	258,011	294,788	-	294,788
T&OS	19,582	-	19,582	33,952	-	33,952
Others	1,863	-	1,863	1,331	-	1,331
Total Segment Revenue	**344,687**	**-**	**344,687**	**404,988**	**-**	**404,988**
Unallocated:	3,879	-	3,879	5,068	-	5,068
Total segment revenue as per profit and loss	**348,566**	**-**	**348,566**	**410,056**	**-**	**410,056**

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2017 and 31st March 2016 were as follows:

Revenue from external customers	31 March 2017			31 March 2016		
	Tanker Segment	Liner Segment	Total	Tanker Segment	Liner Segment	Total
Customer 1	71,164	68	71,232	87,961	178	88,139
Customer 2	45,439	599	46,038	50,226	683	50,909
Customer 3	35,953	-	35,953	-	-	-

The company is domiciled in India. The amount of its revenue from external customers (exceeding 5%) broken down by location of the customers is shown in the table below:

Revenue from external customers	31 March 2017	31 March 2016
India	262,665	289,237
Singapore	30,216	22,138
Other Countries	51,806	93,613
Total	344,687	404,988

(e) Segment assets

Segment	31 March 2017		31 March 2016		1 April 2015	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	56,023	-	46,343	-	63,896	-
Bulk	175,174	-	183,100	-	178,903	-
Tanker	662,388	-	705,685	-	692,967	-
T & OS	147,587	-	131,193	-	133,650	-
MTI	746	-	580	-	179	-
Total segment assets	**1,041,918**	**-**	**1,066,901**	**-**	**1,069,595**	**-**
Unallocated:	410,774	-	406,161	-	410,684	-
Total assets as per the Balance Sheet	**1,452,692**	**-**	**1,473,062**	**-**	**1,480,279**	**-**

*Segment Assets includes ₹ 6135 lacs, ₹ 1410 lacs and ₹ 641 lacs for 31st march 17, 31st march 16 and 1st April 15 respectively on account of equity consolidation of joint ventures.

(All amounts in INR lakhs, unless otherwise stated)

(f) Segment liabilities

Segment	31 March 2017	31 March 2016	1 April 2015
Liner	78,132	81,068	80,988
Bulk	18,230	10,494	(1,216)
Tanker	74,701	69,406	45,838
T & OS	26,601	16,452	14,560
MTI	577	473	235
Total segment liabilities	**198,241**	**177,893**	**140,405**
Unallocated:	561,578	621,411	740,733
Total liabilities as per the Balance Sheet	**759,819**	**799,304**	**881,138**

Note 31: Employee Benefit Obligations

(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) Gratuity

Balance sheet amount (Gratuity Plan)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2015	**10,426**	**16,003**	**(5,577)**
Current service cost	476	-	476
Interest expense/(income)	668	1,361	(693)
Total amount recognised in profit and loss	**1,144**	**1,361**	**(217)**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		(185)	185
(Gain)/loss from change in financial assumptions	74	-	74
Experience (gains)/losses	(150)	-	(150)
(i) Amount recognised in other comprehensive income	(76)	(185)	109
Benefit payments	(1,457)	(1,457)	-
(ii) 31/03/2016	**10,037**	**15,722**	**(5,685)**
(iii) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling	-	(1,250)	1,250
Total amount recognised in other comprehensive income [(i) & (iii)]	**(76)**	**(1,435)**	**1,359**
Closing Balance Sheet (Asset) / Liability as on 31 March 2016 [(ii) & (iii)]			**(4,435)**

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Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2016	10,037	15,722	(5,685)
Current service cost	513	-	513
Interest expense/(income)	738	1,184	(446)
Total amount recognised in profit and loss	**1,251**	**1,184**	**67**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		246	(246)
(Gain)/loss from change in financial assumptions	425	-	425
Experience (gains)/losses	(962)	-	(962)
(i) Amount recognised in other comprehensive income	(537)	246	(783)
Benefit payments	(1,329)	(1,329)	-
(ii) 31 March 2017	**9,422**	**15,823**	**(6,401)**
(iii)Unrecognised Asset at the beginning of the period		1,250	1,250
(iv) Asset recognised during the year (Asset Celing)		1,042	1,042
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	208	(208)
Total amount recognised in other comprehensive income [(i) & (v)]	**(537)**	**454**	**(991)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2017 [(ii)+(iii)+(v)]			**(5,359)**

For gratuity, the benefits are paid by the trust and are not debited to the Profit & Loss of the Group.

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	9,422	10,037	10,426
Fair value of plan assets	15,823	15,722	16,003
Deficit of funded plan	**(6,401)**	**(5,685)**	**(5,577)**
Unrecognised Asset due to Limit in Para 64(b)	1,042	1,250	
Deficit of gratuity plan	**(5,359)**	**(4,435)**	**(5,577)**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the Balance Sheet date: Financial Assumptions	31-Mar-17	31-Mar-16	31-Mar-15
Discount Rate	7.35%	7.85%	7.95%
Salary Escalation Rate	7.50%	7.50%	7.50%
Expected Return on Assets	7.35%	7.85%	9.00%
Demographic Assumptions	**31-Mar-17**	**31-Mar-16**	**31-Mar-15**
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	PS 0 - 42 years:- 0.5%	PS 0 - 42 years:- 0.5%	PS 0 - 42 years:- 0.5%
Retirement Age	60 years	60 years	60 years
Timing Related Assumptions			
Time of Retirement	Immediately on achieving normal retirement		
Salary Increase frequency	Once a year		

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31-Mar-17		31-Mar-16	
Defined Benefit Obligation (Base)	9422.00		10037.00	
Sensitivity Analysis Table 14 : Sensitivity Analysis	**31-Mar-17**		**31-Mar-16**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate	9901.00	8997.00	10558.00	9581.00
Impact of increase/decrease in 50 bps on DBO	5.08%	-4.51%	5.19%	-4.54%
Salary Growth Rate	9105.00	9780.00	9683.00	10445.00
Impact of increase/decrease in 50 bps on DBO	-3.37%	3.80%	-3.53%	4.06%

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	31-Mar-16 to 31-Mar-17	31-Mar-15 to 31-Mar-16
Unrecognised Asset, Beginning of Period	1250	-
Asset recognised during the year	1042	1250
Unrecognised Asset, End of Period	208	1250

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

Major category of plan assets are as follows

	31-Mar-17				31-Mar-16				1-Apr-15			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India Securities	**6,644**		**6,644**	**42%**	**5,898**		**5,898**	**37%**	**5398**		**5,398**	**34%**
Debt instruments												
Investment in Bonds	1,956		1,956	12%	3,872		3,872	25%	3853		3,853	24%
Other Assets including accrued interest	**243**	**347**	**590**	**4%**	**42**	**404**	**446**	**3%**		**364**	**364**	**2%**
Investment in Deposits including Bank Balance		**6633**	**6,633**	**42%**		**5506**	**5,506**	**35%**		**6387**	**6,387**	**40%**
Total	**8,843**	**6,980**	**15,823**	**100%**	**9,812**	**5,910**	**15,722**	**100%**	**9,251**	**6,751**	**16,002**	**100%**

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

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.

Actual Return on plan assets ₹ 1430 lakh (Prev. period ₹ 1176 lakhs)

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility :

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. The Company intends to maintain the above investment mix in the continuing years.

Changes in bond yields :

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Life expectancy :

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the

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(All amounts in INR lakhs, unless otherwise stated)

plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.
Contribution expected to be paid in the next year is Nil.
The weighted average duration of the defined benefit obligation is 17.78 years (2016 – 17.85 years).

(C) Leave Encashment (Unfunded)

Balance Sheet amount (Leave Encashment)

Particulars	Present value of obligation
1 April 2015	5,057
Current service cost	322
Interest expense/(income)	335
Actuarial (Gain)/loss from change in financial assumptions	42
Actuarial - Experience (gains)/losses	1,624
Total amount recognised in profit and loss	**2,323**
Benefit payments*	(1,678)
31 March 2016	**5,702**

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

Particulars	Present value of obligation
31 March 2016	5,702
Current service cost	347
Interest expense/(income)	358
Actuarial (Gain)/loss from change in financial assumptions	215
Actuarial - Experience (gains)/losses	1,301
Total amount recognised in profit and loss	2,221
Benefit payments	(2,285)
31 March 2017	**5,638**

The net liability disclosed above relates to unfunded plan are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of unfunded obligations	5,638	5,702	5,057
Deficit of leave encashment plan	**5,638**	**5,702**	**5,057**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the Balance Sheet date:

Financial Assumptions	31-Mar-17	31-Mar-16	31-Mar-15
Discount Rate Salary Escalation Rate	7.35% 7.00%	7.85% 7.50%	7.95% 7.50%
Demographic Assumptions	**31-Mar-17**	**31-Mar-16**	**31-Mar-15**
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	"PS 0 - 42 years:- 0.5%"	"PS 0 - 42 years:- 0.5%"	"PS 0 - 42 years:- 0.5%"
Retirement Age	60 years	60 years	60 years
Timing Related Assumptions			
Time of Retirement	Immediately on achieving normal retirement		
Salary Increase frequency	Once a year		

(All amounts in INR lakhs, unless otherwise stated)

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31-Mar-17		31-03-16	
Defined Benefit Obligation (Base)	5,638		5,702	
(M) Sensitivity Analysis	**31-Mar-17**		**31-Mar-16**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate	5869	5424	5925	5495
Impact of increase/decrease in 50 bps on DBO	4.09%	-3.81%	3.90%	-3.64%
Salary Growth Rate	5423	5868	5493	5924
Impact of increase/decrease in 50 bps on DBO	-3.82%	4.07%	-3.67%	3.89%

The weighted average duration of the defined benefit obligation is 17.78 years (2016 – 17.85 years).

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

(D) Post Retirement Medical Benefit Scheme

Balance Sheet amount (Post Retirement Medical Benefit Scheme)

Particulars	Present value of obligation
1 April 2015	2,030
Interest expense/(income)	156
Total amount recognised in profit and loss	**156**
Remeasurements	
Experience (gains)/losses	121
Total amount recognised in other comprehensive income	**121**
Benefit payments	(148)
31 March 2016	**2,159**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2016	2,159	-	2,159
Interest expense/(income)	150		150
Total amount recognised in profit and loss	150	-	150
Remeasurements			
Experience (gains)/losses	153		153
Total amount recognised in other comprehensive income	153	-	153
Employer contributions	-	1,482	(1,482)
Benefit payments	(147)	(147)	-
31 March 2017	**2,315**	**1,335**	**980**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of funded obligations	2,315	2,159	2,030
Fair value of plan assets	1,335	-	
Deficit of funded plan	**980**	**2,159**	**2,030**
Deficit of Post Retirement Medical Benefit Scheme plan	**980**	**2,159**	**2,030**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Financial Assumptions	**31-03-17**	**31-03-16**	**31-Mar-15**
Discount Rate	7.35%	7.85%	7.95%
Expected Return on Assets	7.35%	-	-
Demographic Assumptions	**31-03-17**	**31-03-16**	**31-03-15**
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult. (Improved by 2 years)	Indian Assured Lives Mortality (2006-08) Ult. (Improved by 2 years)	Indian Assured Lives Mortality (2006-08) Ult.
Timing Related Assumptions			
Time of Retirement	Immediately on achieving normal retirement		

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Sensitivity Analysis	**31-03-17**		**31-03-16**	
Defined Benefit Obligation (Base)	2,315		2,159	
Table 12 : Sensitivity Analysis	**31-03-17**		**31-03-16**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate	2,359	2,273	2,199	2,120
Impact of increase/decrease in 50 bps on DBO	1.89%	-1.81%	1.87%	-1.79%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

Major category of plan assets are as follows

	31-Mar-17			
	Quoted	**Unquoted**	**Total**	**in %**
Investment in Deposits including Bank Balance	-	1326	1326	99%
Other Assets including accrued interest	-	9	9	1%
Total	**-**	**1,335**	**1,335**	**100%**

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

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.

Defined benefit liability and employer contributions :

Contribution expected to be paid in the next year is Nil.

The weighted average duration of the defined benefit obligation is 17.78 years (2016 – 17.85 years).

Note 32: Assets pledged as security

	Notes	**31 March 2017**	**31 March 2016**	**1 April 2015**
Current				
Financial Assets				
Other bank balances	7(c)	36,716	24,910	25,469
Total current assets pledged as security		**36,716**	**24,910**	**25,469**
Non-current				
Plant and Equipment	4	812,897	826,230	829,010
Total non-current assets pledged as security		**812,897**	**826,230**	**829,010**
Total assets pledged as security		**849,613**	**851,140**	**854,479**

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Offsetting Financial Assets and Financial Liabilities

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2017, March 31, 2016 and April 1, 2015. The column 'net amount' shows the impact on the Group's Balance Sheet if all set-off rights were exercised.

	Effects of offsetting on the Balance Sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the Balance Sheet	Net amount presented in the Balance Sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
March 31, 2017						
Financial assets						
i. Investments	13,602	-	13,602	-	-	13,602
ii. Trade receivables	65,871	-	65,871	-	-	65,871
iii. Cash and cash equivalents	57,129	-	57,129	-	-	57,129
iv. Bank balances other than (iii) above	80,442	-	80,442	-	36,716	43,726
v. Loans	28,228	-	28,228	-	-	28,228
vi. Other financial assets	16,204	-	16,204	-	-	16,204
Total	**261,476**	**-**	**261,476**	**-**	**36,716**	**224,760**
Financial liabilities						
i. Borrowings	405,183	-	405,183	-	-	405,183
ii. Trade payables						
Micro, Small and Medium Enterprises	1,585	-	1,585	-	-	1,585
Others	113,644	-	113,644	-	-	113,644
iii. Other financial liabilities	179,317	-	179,317	-	-	179,317
Total	**699,729**	**-**	**699,729**	**-**	**-**	**699,729**
March 31, 2016						
Financial assets						
i. Investments	7,983	-	7,983	-	-	7,983
ii. Trade receivables	68,183	-	68,183	-	-	68,183
iii. Cash and cash equivalents	49,682	-	49,682	-	-	49,682
iv. Bank balances other than (iii) above	78,864	-	78,864	-	24,910	53,954
v. Loans	30,401	-	30,401	-	-	30,401
vi. Other financial assets	10,335	-	10,335	-	-	10,335
Total	**245,448**	**-**	**245,448**	**-**	**24,910**	**220,538**
Financial liabilities						
i. Borrowings	455,619	-	455,619	-	-	455,619
ii. Trade payables						
Micro, Small and Medium Enterprises	515	-	515	-	-	515
Others	109,396	-	109,396	-	-	109,396
iii. Other financial liabilities	163,539	-	163,539	-	-	163,539
Total	**729,069**	**-**	**729,069**	**-**	**-**	**729,069**
April 1, 2015						
Financial assets						
i. Investments	9,616	-	9,616	-	-	9,616
ii. Trade receivables	73,318	-	73,318	-	-	73,318
iii. Cash and cash equivalents	11,253	-	11,253	-	-	11,253
iv. Bank balances other than (iii) above	114,361	-	114,361	-	25,469	88,892
v. Loans	30,642	-	30,642	-	-	30,642
vi. Other financial assets	11,736	-	11,736	-	-	11,736
Total	**250,926**	**-**	**250,926**	**-**	**25,469**	**225,457**

(All amounts in INR lakhs, unless otherwise stated)

	Effects of offsetting on the Balance Sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the Balance Sheet	Net amount presented in the Balance Sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
Financial liabilities						
i. Borrowings	555,186	-	555,186	-	-	555,186
ii. Trade payables						
Micro, Small and Medium Enterprises	547	-	547	-	-	547
Others	109,039	-	109,039	-	-	109,039
iii. Other financial liabilities	153,564	-	153,564	-	-	153,564
Total	**818,336**	**-**	**818,336**	**-**	**-**	**818,336**

Note 34: Fair value measurements

Financial instruments by category

	31 March 2017			31 March 2016			1 April 2015		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments									
- Equity instruments	99	-		99	-		-	-	-
- Mutual funds	-	-		3,746	-		7,669	-	-
- Government securities	-	-	-	-	-	-	-	-	-
Loans	-	-	28,228	-	-	30,401	-	-	30,642
Trade receivables	-	-	65,871	-	-	68,183	-	-	73,318
Cash and cash equivalents	-	-	57,129	-	-	49,682	-	-	11,253
Other bank balances	-	-	80,442	-	-	78,864	-	-	114,361
Bank deposits with more than 12 months maturity	-	-	20	-	-	79	-	-	1
Other financial assets	-	-	16,184	-	-	10,256	-	-	11,735
Total financial assets	**99**	**-**	**247,874**	**3,845**	**-**	**237,465**	**7,669**	**-**	**241,310**
Financial liabilities									
Borrowings	-	-	405,183	-	-	455,619	-	-	555,186
Trade payables	-	-	115,229	-	-	109,911	-	-	109,586
Current maturities of long term debt	-	-	144,046	-	-	128,857	-	-	121,694
Other financial liabilities	-	-	35,271	-	-	34,682	-	-	31,870
Total financial liabilities	**-**	**-**	**699,729**	**-**	**-**	**729,069**	**-**	**-**	**818,336**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

(All amounts in INR lakhs, unless otherwise stated)

Financial assets measured at fair value - recurring fair value measurements At 31 March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Unquoted equity instruments	7(a)	-	-	99	**99**
Total financial assets		**-**	**-**	**99**	**99**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)			23	**23**
Loans to others	7(b)			1467	**1,467**
Bank deposits	7(b)		20	-	**20**
Total financial assets		**-**	**20**	**1,490**	**1,510**
Financial Liabilities					
Borrowings	14(a)		451,809		**451,809**
Security deposits	14(b)			38	**38**
Total financial liabilities		**-**	**451,809**	**38**	**451,847**

Assets measured at fair value - recurring fair value measurements At 31 March 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	7 (e)	3,746	-		**3,746**
Financial Investments at FVTPL					
Unquoted equity instruments	7(a)			99	**99**
Total financial assets		**3,746**	**-**	**99**	**3,845**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)			23	**23**
Loans to others	7(b)			1500	**1,500**
Bank deposits	7(b)		79		**79**
Total financial assets		**-**	**79**	**1,523**	**1,602**
Financial Liabilities					
Borrowings	14(a)		584,713		**584,713**
Security deposits	14(b)			9	**9**
Total financial liabilities		**-**	**584,713**	**9**	**584,722**

Financial assets measured at fair value - recurring fair value measurements At 1 April 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	7 (e)	7,669	-		**7,669**
Total financial assets		**7,669**	**-**	**-**	**7,669**

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(All amounts in INR lakhs, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)	-	-	23	**23**
Loans to others	7(b)	-	-	1198	**1,198**
Bank deposits	7(b)	-	1	-	**1**
Total financial assets		**-**	**1**	**1,221**	**1,222**
Financial Liabilities					
Borrowings	14(a)	-	673,259	-	**673,259**
Security deposits	14(b)	-		41	**41**
Total financial liabilities		**-**	**673,259**	**41**	**673,300**

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

There were no transfers between any levels during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of closing NAV for investment in mutual funds
- the use of book values for investment in unlisted equity securities
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2017 and 31 March 2016:

Particulars	Unlisted Equity Securities
As at 1 April 2015	-
Acquisitions	6
Gains(losses) recognised in Statement of profit or loss	93
As at 31 March 2016	**99**
Acquisitions	-
Gains(losses) recognised in Statement of profit or loss	-
As at 31 March 2017	**99**

Particulars	Fair Value as at			Significant unobservable inputs	Sensitivity		
	31 March 2017	31 March 2016	1 April 2015		2017	2016	2015
Valuation inputs and relationship to fair value - Investment in Equity Securities held for sale (non recurring)	7	7	-	Net book values	Not applicable		
Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)	99	99	-	Net book values	Increase (decrease) in the book value would result in increase (decrease) in fair value		

(All amounts in INR lakhs, unless otherwise stated)

(iv) Valuation processes

The finance department of the Company includes a team that along with treasury function performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Director(finance).

The main level 3 inputs used by the Company are derived and evaluated as follows:

- For unlisted equity securities, their fair values are estimated based on the book values of the investee companies.

(v) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to related parties	23	23	23	23	23	23
Loans to employee	1,467	1,467	1,500	1,500	1,198	1,198
Bank deposits	20	20	79	79	1	1
Total financial assets	**1,510**	**1,510**	**1,602**	**1,602**	**1,222**	**1,222**
Financial Liabilities						
Borrowings	451,809	451809	584,476	584,713	673,380	673,259
Security deposits	38	38	9	9	41	41
Total financial liabilities	**451,847**	**451,847**	**584,485**	**584,722**	**673,421**	**673,300**

The carrying amounts of trade receivables, trade payables, short term security deposits, bank deposits with more than 12 months maturity, cash and cash equivalents including other bank balances and other current financial assets and liabilities are considered to be the same as their fair values.

The fair values of non-current borrowings (with floating rate of interest) is not impacted due to interest rate changes and will not be significantly different from their carrying amount as there is no significant change in the underlying credit risk of the Company's borrowings.

The fair values of non-current borrowings (with fixed rate of interest) are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 35: Financial risk management

The Group has exposure to the Credit risk, Liquidity risk and Market risk.

The company's Board of Directors has overall responsibility for the establishment and supervision of the company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies. The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

(A) Credit Risk :

(i) Credit risk is the risk of financial loss to the company if a customer to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of a large number of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period. This credit period has been determined by considering the business environment in which the company operates.

The Company considers dealing with creditworthy customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk due to above is periodically monitored. Based on the periodical analyses, the credit risk is managed by continuous review and follow-up.

(ii) Provision for expected credit losses :

The company provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simpified basis of recognition of expected credit losses in case of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. The aging has been done for bracket of 90 days over a period of last 3 years. Receivables that are more than 3 years old are considered uncollectible. Further, customers declaring bankruptcy or failing to engage in repayment plan with the company, 100% provisioning is made i.e. such customers do not form part of this impairment exercise and provided for separately.

(All amounts in INR lakhs, unless otherwise stated)

(iii) Reconciliation of Trade receivables :

Particulars	31 March 2017	31 March 2016	1 April 2015
Gross carrying amount of trade receivables	82,561	86,464	93,591
Less : Expected credit losses	13,512	15,448	17,498
Less : 100% provision made separately for bankrupt/terminated agents	3,178	2,833	2,775
Carrying amount of trade receivables (net of impairment)	**65,871**	**68,183**	**73,318**

(iv) Reconciliation of loss allowance provision - Trade receivables :

Particulars	Amount
Loss allowance on 1st April 2015	**17,498**
Changes in loss allowance	(2,050)
Loss allowance on 31st March 2016	**15,448**
Changes in loss allowance	(1,936)
Loss allowance on 31st March 2017	**13,512**

(B) Liquidity risk

(i) Prudent liquidity risk management refers to the management of the Company's short term and long term funding and liquidity management requirements. The Company's treasury maintains flexibility in funding by maintaining availability of funds under committed credit lines. Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The tables below analyse the company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings include both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

Contractual maturities of financial liabilities 31 March 2017	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	212,900	347,241	4,204	564,345
Trade payables	115,229	-	-	115,229
Security and other deposits	1,038	38	-	1,076
Others financial liabilities	34,195	-	-	34,195
Total liabilities	**363,362**	**347,279**	**4,204**	**714,845**

Contractual maturities of financial liabilities 31 March 2016	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	143,473	455,958	27,911	627,342
Trade payables	109,911	-	-	109,911
Security and other deposits	959	9	-	968
Others financial liabilities	33,714	-	-	33,714
Total non-derivative liabilities	**288,057**	**455,967**	**27,911**	**771,935**

Contractual maturities of financial liabilities 1 April 2015	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	136,653	484,690	105,809	727,152
Trade payables	109,586	-	-	109,586
Security and other deposits	884	41	-	925
Others financial liabilities	30,945	-	-	30,945
Total non-derivative liabilities	**278,068**	**484,731**	**105,809**	**868,608**

(All amounts in INR lakhs, unless otherwise stated)

(C) Market risk

Market risk is the risk that changes in market indicators such foreign exchange rates, interest rates and commodity prices will affect the company's income or the value of its financial instruments. The Company's activities mainly expose it to risks arising from changes in foreign exchange rate and interest rate and freight/charter hire rates.

(i) Foreign currency risk

The company operates vessels in foreign waters, earns revenues and incurs expenditure in foreign currencies, primarily with respect to USD, EURO and certain other foreign currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

Considering the business environment in which company operates, exposure to foreign exchange rate risk is largely managed by collection of income in foreign currencies in short term bank accounts abroad.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	31 March 2017			31 March 2016			31 March 2015		
	USD	EUR	Others	USD	EUR	Others	USD	EUR	Others
Financial assets									
Current assets	917	-	87	381	-	134	695	10	62
Current Loans & Advances	17,902	-	-	19,480	-	-	21,664	-	-
Cash and cash equivalents	2,099	648	424	5,799	15	599	4,111	495	889
Trade Receivables	24,113	5,261	9,561	27,948	5,226	11,003	32,429	7,114	10,923
Exposure to foreign currency risk (assets)	**45,031**	**5,909**	**10,072**	**53,608**	**5,241**	**11,736**	**58,899**	**7,619**	**11,874**
Financial liabilities									
Long Term (Non-Current) Borrowings	307,763	-	-	454,776	-	-	549,111	-	-
Current maturities of long term borrowings	143,204	-	-	127,128	-	-	119,965	-	-
Other current Liabilities	4,512	46	1	4,178	49	1	4,680	44	19
Short Term Borrowings	77,820	-	-	-	-	-	-	-	-
Trade Payables	73,269	4,320	9,940	73,257	4,883	6,394	68,492	4,035	6,469
Exposure to foreign currency risk (liabilities)	**606,568**	**4,366**	**9,941**	**659,339**	**4,932**	**6,395**	**742,248**	**4,079**	**6,488**

(b) Sensitivity

The following table details the Company's sensitivity to a 5% increase/ decrease in INR as against USD and 1% increase / decrease in INR as against EUR. The sensitivity analysis includes only foreign currency denominated monetary items.

	Impact on profit after tax	
	31 March 2017	31 March 2016
USD sensitivity		
INR/USD -Increase by 5% (31 March 2016- 7%)	(28,077)	(42,401)
INR/USD -Decrease by 5% (31 March 2016- 7%)	28,077	42,401
EUR sensitivity		
INR/EUR -Increase by 1% (31 March 2016- 3%)	15	9
INR/EUR -Decrease by 1% (31 March 2016- 3%)	(15)	(9)

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its interest rate risk by regularly monitoring the interest rate movement and deciding on type of interest rate i.e. fixed or fluctuating.

(All amounts in INR lakhs, unless otherwise stated)

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2017	31 March 2016	1 April 2015
Variable rate borrowings	533,080	587,256	675,512
Total borrowings at variable rate	**533,080**	**587,256**	**675,512**

(b) Sensitivity

The sensitivity analysis has been determined based on the exposure to interest rate risk on the borrowings outstanding as at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year with a 100 basis point increase or decrease.

	Impact on profit after tax	
	31 March 2017	31 March 2016
Interest rates – increase by 100 basis points (100 bps)	(5,331)	(5,873)
Interest rates – decrease by 100 basis points (100 bps)	5,331	5,873

(iii) Freight/Charter hire risk

Shipping industry is governed by various national and international economic and geopolitical developments. Local and international demand and supply determine freight and charter hire rates. Since company's vessels ply in international waters, it is affected by such developments. Also, bunker cost is major component of Company's cost structure and bunker prices are highly volatile.

Note 36: Capital management

(a) Risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of the debt equity ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as Long Term Borrowings (including current portion of Long Term borrowings as shown in the Balance Sheet).

	31 March 2017	31 March 2016	1 April 2015
Net Debt	451,809	584,476	673,380
Total Equity	692,873	673,758	599,141
Net debt to equity ratio	**0.65**	**0.87**	**1.12**

(b) Loan covenants

The company has 12 ECB Loan Agreement wherein 10 of the agreements have a financial covenant of Debt Service Coverage Ratio (DSCR). The company has not been able to meet the DSCR covenant. However the company has given an alternate covenant of 'Minimum Cash Covenant' in lieu of the DSCR covenant in 4 of the loans and other 6 lenders have waived the DSCR default.

Note 37: Income/Expenses relating to previous years booked in 2016-17

Particulars	Related to 2015-16	Related Upto 31st March 2015
Income:		
Charter Hire	(286)	(532)
Freight	21	-
Others Insurance Recovery	20	-
Total Income	**(245)**	**(532)**
Expenditure:		
Brokerage & commission	-	28
Fuel oil	186	188
Currency Exchange Difference		620

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Related to 2015-16	Related Upto 31st March 2015
Stores, Repairs and Maintenance	-	2
Depreciation-Intangible Assets	20	95
Provision for Off Hire	57	83
Interest Expenses	226	-
Transport Handling Charges	-	454
Service Tax/CENVAT	(19)	8,256
Establishment charges	-	-
Other Port Expenses	8	104
Others		(11)
Total Expenses	**478**	**9,819**
NET INCOME /(EXPENDITURE)	**(723)**	**(10,351)**

Impact of Income/Expenses relating to previous years booked in 2016-17 on Balance Sheet

Particulars	Year ended 31 March 2016	Upto 31 March 2015
Other intangible assets	(28)	16
Other Current financial assets	(245)	(533)
Trade payables	224	8788
Other current financial liabilities	226	1047

Note 38: Disclosure of Specified Bank Notes

(all amounts in INR)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**889,500**	**306,383**	**1,195,883**
(+) Permitted receipts	-	568,148	568,148
(-) Permitted payments	-	180,864	180,864
(-) Amount deposited in Banks	889,500	391,467	1,280,967
Closing cash in hand as on 30.12.2016	**-**	**302,200**	**302,200**

Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 39:

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 40:

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

Note 41: Interest in Other Entities

(a) Information about subsidiaries

The Group has the following investments in subsidiaries:

Sl. No.	Name of the subsidiary	Principal place of business	Principal activities	Proportion (%) of ownership		
				As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	INLAND & COASTAL SHIPPING LTD.	India	Inland Waterways	100%	NIL	NIL

The Shipping Corporation of India Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(b) Interest in associate and joint ventures

(i) Set out below are the associates and joint ventures of the Group as at 31 March 2017 which, in the opinion of the directors, are material to the Group.The entities listed below have share capital consisting solely of equity shares,which are held directly by the Group,and the proportion of ownership interests held equals the voting rights held by the Group.

Sl. No.	Name of the entity	Principal place of business	Principal activities	Proportion (%) of ownership			Carrying Value		
				As 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	India LNG Transport Co. (No. 1) Ltd.	Malta	LNG Carriers	29.08%	29.08%	29.08%	4841	2098	1176
2	India LNG Transport Co. (No. 2) Ltd.	Malta	LNG Carriers	29.08%	29.08%	29.08%	4999	2040	764
3	India LNG Transport Co. (No. 3) Ltd.	Malta	LNG Carriers	26.00%	26.00%	26.00%	0	0	0
4	India LNG Transport Co. (No. 4) Ltd.	Singapore	LNG Carriers	26.00%	26.00%	26.00%	3663	0	0
5	Irano Hind Shipping Co. Ltd.	India	Shipping	49.00%	49.00%	49.00%	0	39	39
6	Sail SCI Pvt. Ltd.	India	Shipping	50.00%	50.00%	50.00%	7	7	7

(ii) Summarised financial information for associates and joint ventures

The table below provide summarised financial statements for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not SCI's share of those amounts.

Summarised Balance Sheet	ILT 1			ILT 2			ILT 3			ILT 4		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March 2016	As at 1st April, 2015
Current Assets												
Cash and Cash Equivalents	9563	9404	7403	9709	7075	8801	11464	10589	9708	2368	379	413
Other Assets	2100	1859	4166	1784	1646	1455	1054	1680	1589	1088	41	38
Total Current Assets	**11663**	**11263**	**11570**	**11493**	**8721**	**10255**	**12518**	**12269**	**11297**	**3456**	**421**	**451**
Total Non - Current Assets	**82276**	**87974**	**84268**	**85699**	**91507**	**90563**	**129146**	**136412**	**132956**	**144225**	**61476**	**30011**
Current Liabilities												
Financial Liabilities (excl. trade payables)	21618	25685	61543	20903	24723	65089	65495	67029	88613	6665	2299	2012
Other Liabilities	859	2663	479	1123	1146	506	5526	5685	12692	785		
Total Current Liabilities	**22477**	**28348**	**62022**	**22026**	**25869**	**65595**	**71021**	**72714**	**101305**	**7450**	**2299**	**2012**
Non- Current Liabilities												
Financial Liabilities (excl. trade payables)	54498	60567	27503	57638	64056	26384	82965	89512	63498	113415	48925	23427
Other Liabilities	319	3110	2266	337	3290	6211	7548	13731	6436	12305	18859	11892
Total Non-Current Liabilities	**54817**	**63677**	**29769**	**57975**	**67346**	**32595**	**90512**	**103243**	**69935**	**125720**	**67784**	**35319**
NET ASSETS	**16646**	**7211**	**4047**	**17190**	**7013**	**2629**	**-19870**	**-27276**	**-26986**	**14512**	**-8185**	**-6869**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(iii) Unrecognised losses of joint ventures carried forward

Particulars	Accumulated as on 31.03.2017		For Year Ended 31.03.2017		Accumulated as on 31.03.2016		For Year Ended 31.03.2016		For Year Ended 31.03.2015	
	Loss/ (Profit)	OCI	Loss/ (Profit)	OCI	Loss/ (Profit)	OCI	Loss/ (Profit)	OCI	Loss/ (Profit)	OCI
India LNG Transport Co. (No. 1) Ltd.	0	0	0	0	0	0	0	0	0	0
India LNG Transport Co. (No. 2) Ltd.	0	0	0	0	0	0	0	0	0	0
India LNG Transport Co. (No. 3) Ltd.	2284	2882	-193	-1732	2478	4614	-140	215	2617	4400
India LNG Transport Co. (No. 4) Ltd.	0	0	-41	-2079	41	2079	41	263	0	1816

Negative amount reflect previous year losses recognised during the year due to profit earned or further investment in the joint venture.

(iv) Reconciliation to carrying amounts

Particulars	ILT 1		ILT 2		ILT 3		ILT 4	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st December 2016	31st March, 2016
Opening Net assets	7212	4047	7012	2629	-27276	-26986	-8187	-6869
Profit for the year	6914	4202	7506	5554	743	537	-517	-161
Other Comprehensive Income	2520	-1036	2671	-1171	6663	-827	6336	-6672
Share capital issued during the year							16881	5515
Closing Net Assets	**16646**	**7212**	**17189**	**7012**	**-19870**	**-27276**	**14512**	**-8187**
Groups share in %	29.08%	29.08%	29.08%	29.08%	26.00%	26.00%	26.00%	26.00%
Groups share in INR	4841	2098	4999	2040	-5166	-7092	3773	-2129
Adjustment for translation differences on share capital							-110	
Carrying Amount*	**4841**	**2098**	**4999**	**2040**	**0**	**0**	**3663**	**0**

* As per Ind AS 28 losses are recognised to the extent of investment made.

(v) Summarised statement of profit and loss

Particulars	ILT 1		ILT 2		ILT 3		ILT 4	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st December 2016	31st March, 2016
Revenue	17628	15841	18078	17238	17912	17911	1089	0
Other Income	43	5	25	4	21	334	0	0
Depreciation and Ammortisation	3851	4094	3883	4078	4396	4326	0	0
Interest Expense	4354	4976	4418	5018	9957	10624	0	0
Income tax expense	5	5	5	5	5	5	0	0
Other Expense	2547	2569	2291	2587	2833	2752	1605	161
Profit for the year	**6914**	**4202**	**7506**	**5554**	**743**	**537**	**-517**	**-161**
Other Comprehensive Income	2520	-1036	2671	-1171	6663	-827	6336	-6672
Total Comprehensive Income	**9434**	**3166**	**10177**	**4384**	**7406**	**-290**	**5819**	**-6833**

The Shipping Corporation of India Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 42: Additional Information required by Schedule III (Division II)

Information under Companies Act 2013	Net Assets (total assets minus total liabilities)		Share in profit/loss		Share in other comprehensive income		Share in total comprehensive income	
Particulars	**As % of consolidated net assets**	**Amount (Rs. in lacs)**	**As % of consolidated profit/ loss**	**Amount (Rs. in lacs)**	**As % of consolidated other comprehensive income**	**Amount (Rs. in lacs)**	**As % of consolidated total comprehensive income**	**Amount (Rs. in lacs)**
Parent								
The Shipping Corporation of India Ltd.								
31st March 2017	98%	679374	77%	13552	54%	838	75%	14390
31st March 2016	99%	669620	96%	75331	42%	-1481	99%	73850
Joint Ventures (Investment as per equity method)								
India LNG Transport Co. (No. 1) Ltd.								
31st March 2017	1%	4841	11%	2011	47%	733	14%	2743
31st March 2016	0%	2098	2%	1221	8%	(300)	1%	921
India LNG Transport Co. (No. 2) Ltd.								
31st March 2017	1%	4999	12%	2184	50%	777	15%	2960
31st March 2016	0%	2040	2%	1613	10%	(339)	2%	1274
India LNG Transport Co. (No. 3) Ltd.								
31st March 2017	0%	0	0%	-	0%	-	0%	0
31st March 2016	0%	0	0%	-	0%	-	0%	0
India LNG Transport Co. (No. 4) Ltd.								
31st March 2017	1%	3663	-1%	(176)	-51%	(792)	-5%	-968
31st March 2016	0%	0	0%	-	40%	-1432	-2%	-1432
Subsidiary								
INLAND & COASTAL SHIPPING LTD								
31st March 2017	0%	-3	0%	(9)	0%	-	0%	-9
31st March 2016	0%	0	0%	-	0%	-	0%	0
TOTAL								
31st March 2017	**100%**	**692,873**	**100%**	**17,561**	**100%**	**1,555**	**100%**	**19,117**
31st March 2016	**100%**	**673,758**	**100%**	**78,165**	**100%**	**-3,552**	**100%**	**74,613**

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 ongoods, 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 and 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 and 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.

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 varification 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 (ECAF) 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.

GLOSSARY

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 an 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 (CandF)
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-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 and 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 multi-modal 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 tha 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 log10V) where V is the volume in cubic meters of all en¬closed 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 cargos, even allowing for combining different cargos in different holds.

I.M.D.G. Code

International Maritime Dangerous Goods Code. The regulations published by the IMO for transport¬ing hazardous materials internationally.

Incoterms

Maintained by the International Chamber of Commerce (ICC), this codification of terms is used in foreign trade contracts to define which parties incur the costs and at what specific point the costs are incurred. (also see incoterm section)

I.O.E : Indirect Operating Expenses

Indirect Operating Expenses are those expenses incurred by the owner of the vessel towards and includes maintenance, stores, spares, repairs, insurance, victualling and other management overheads.

Indian Register of Shipping (IRS)

The Indian Register of Shipping (IRS) is an internationally recognized, independent ship classification society which was founded in India in 1975. In 1991, the IRS was admitted as an Associate Member of the International Association of Classification Societies (IACS) which is the major international body of classification societies. It is managed by a Committee of Management which has representatives from each of the industry segments that use its services. These include representatives from the maritime industries, underwriters, general engineering, government agencies and defense services. They are further supported by sub-committees such as the Technical Committee, the Classification Sub-committee, the Quality Sub-committee and the Research Advisory Sub-committee for all operational aspects of IRS which cover marine, offshore and industrial services.

Intermediate Consignee

An intermediate consignee is the bank, forwarding agent, or other intermediary (if any) that acts in a foreign country as an agent for the exporter, the purchaser, or the ultimate consignee, for the purpose of effecting delivery of the export to the ultimate consignee.

Intermodal

Movement of goods by more than one mode of transport, ie. airplane, truck, railroad and ship.

International Association of Classification Societies (IACS)

A membership organisation that contributes to maritime safety and regulation through technical support, compliance verification and research and development. More than 90%of the world's cargo-carrying tonnage is covered by the classification rules and standards set by the 13 member societies of IACS.

International Maritime Organisation (IMO)

The specialised agency of the United Nations with responsibility for safety and security at sea and the prevention of marine pollution from ships. Established in 1948, IMO first met in 1959 and is the only United Nations agency with its headquarters in London.

International Ship and Port Security Code (ISPS)

It is an amendment to the Safety of Life at Sea (SOLAS) Convention (1974/1988) on minimum security arrangements for ships, ports and government agencies. Having come into force in 2004, it prescribes responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade."

Irrevocable Letter of Credit

A letter of credit in which the specified payment is guaranteed by the issuing bank if all terms and conditions are met by the drawee. It is as good as the issuing bank.

ISO (Internation Organization for Standardization)

An independent, non-governmental standard-setting body composed of representatives from 165 national standards organisations. International standards give world-class specirfications 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 rooms 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 log10(Vc)) Vc (4d/3D)2, where Vc is the volume of cargo holds, D is the distance between ship's bottom and the uppermost deck, d is the draught) "Ton" is figured as a 100 cubic foot ton. An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.

Non–Vessel Operating Common Carrier (NVOCC)
A cargo consolidator in ocean trades who will buy space from a carrier and sub–sell it to smaller ship¬pers. The NVOCC issues bills of lading, publishes tariffs and otherwise conducts itself as an ocean common carrier, except that it will not provide the actual ocean or intermodal service.

O.E.C.D.
Organization of Economic Cooperation and Development, headquartered in Paris with membership consisting of the world's developed nations.

On Board
A notation on a bill of lading that cargo has been loaded on board a vessel. Used to satisfy the require¬ments 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.

PandI
Abbreviation for "Protection and Indemnity," an insurance term.

Panamax Vessel
The largest size vessel that can traverse the Panama Canal. Current maximum dimensions are: Length 294.1 meters (965 feet); width 32.3 meters (106 feet); draft 12.0 meters (39.5 feet) in tropical fresh water; height 57.91 meters (190 feet) above the water.

POD
Proof Of Delivery, or a cargo/package receipt with the signature of recipient. This term has been widely used in courier and express industry and also gaining more attention and implementation at air cargo industry..

Packing List
A shipping document issued by shipper to carrier, Customs and consignee serving the purposes of identifying detail information of package count, products count, measurement of each package, weight of each package, etc.

Port
– Harbor with piers or docks.
– Left side of a ship when facing forward.

Port state control
The inspection of foreign ships in national ports to verify that the condition of the ship and its equipment complies with the requirements of international conventions and that the ship is manned and operated in compliance with these rules.

Pro Forma Invoice
An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, and similar characteristics). When an importer applies for Letter of Credit as the means of payment, a Pro Forma Invoice from the beneficiary of such Letter of Credit, usually the exporter, is required by the L/C issuing bank.

Project Cargo
This is a term normal referred to when shipping cargo 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 'bulkers' 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.

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

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: (Integrated Management System)
ISO 9001:2008
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

MGMT. SYS.
RvA C 071

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.

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

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 , 1st Floor, 36, Janpath, New Delhi - 110 001	Liasoning with Internal & External Agencies
SCI - London Regional Office Bell Court House, 2nd Floor, 11 Blomfield Street, London EC2M7AY	Co-ordination & Liasoning with Head Office
SCI- Haldia Branch Office Tower Building, 1st 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

Navratna Company

ISO 9001 : 2008, ISO 14001 : 2004, BS OHSAS 18001 : 2007 Company

FORM MGT-11

PROXY FORM

67th ANNUAL GENERAL MEETING ON 26.09.2017

[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:

As my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 67th Annual General Meeting of the company, to be held on the 26.09.2017 at 3.30 p.m. 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 31.03.2017		
2.	Re-appointment of Smt. H.K. Joshi, who retires by rotation		
3.	Fixation of remuneration of auditors for the Financial Year 2017 -18		

Signed this _____________ day of ______ 2017, Signature of shareholder ______________________________ ,

Signature of Proxy holder(s) ______________________________

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 67th 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 enters high end offshore segment.

- In view of the expertise of SCI in management of offshore vessels, ONGC has awarded long term contract for Marine Man Management services of their two "Mobile Offshore Drilling Units" viz. "Sagar Vijay" and "Sagar Bhushan" with effect from July 2016 and August 2016, respectively, for a period of 06 years.The interim Document of Compliance (DOC) audit for MODUs was completed successfully by the Directorate General of Shipping on 28th December, 2016 without any NC or observation. This is a significant achievement in terms of MODU operations, which is completely different from other vessels and has proved company's expertise in the diversified field.

Cooperation with DRDO

- SCI has successfully entered into a long term contract with Defence Research and Development Organisation for deployment of two Multi Purpose Support Vessels (MPSVs) for a long term period of 4 years. This gives SCI an opportunity to assist DRDO in its national missions of strategic importance. For this long term business, SCI has acquired two secondhand Multi Purpose Support Vessels (MPSVs); viz. "SCI Sabarmati" in November 2016 & "SCI Saraswati" in July 2017 and chartered them to DRDO. These are the first MPSVs in SCI fleet.

Sabka Saath Sabka Vikas Sammelan

The Shipping Corporation of India Ltd. in collaboration with Ministry of Shipping, Government of India, organised "Sabka Saath Sabka Vikas Sammelan" on 15th June, 2017 at Shri Bhaidas Maganlal Sabhagriha, Vile Parle (west) to showcase the achievements and spread awareness on good governance outcomes of GOI & SCI during the last three years.

Shri Parag Alavani, MLA, Vile Parle constituency graced the sammelan as chief guest, other dignitaries present on the occasion were:

- Mrs. Sunita Mehta, BMC Corporator, Vile Parle (west)
- Dr. Malini Shankar, IAS, Director General of Shipping
- Ms. Poonam Dhillon, Actress & Social Worker
- Capt. Anoop Kumar Sharma, CMD, SCI and other senior officials

The employees of SCI, Seafarers, Cadets of MTI and local residents were also present on the occasion.

IRQS
A DEPARTMENT OF
INDIAN REGISTER OF
SHIPPING

भारतीय नौवहन निगम लिमिटेड
The Shipping Corporation Of India Ltd.

शिपिंग हाउस, २४५, मैडम कामा रोड, मुंबई-४०००२१
Shipping House, 245, Madame Cama Road, Mumbai - 400 021.

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COUNCIL RvA