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SCI

Navratna Company
(ISO 9001:2015, ISO 14001:2015
& BS OHSAS 18001:2007 Certified)

स्वच्छ भारत
एक कदम स्वच्छता की ओर

ANNUAL REPORT

2017-18

भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)

कार्गो मंजिल तक पहुँचाए. जीवन को राह दिखाए.

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

TRANSPORTING GOODS. TRANSFORMING LIVES.

• Website: www.shipindia.com • Twitter: @shippingcorp

Contribution to Sustainable Development

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 the 353.5 kwp Solar Photo Voltaic Power Plant at SCI MTI, Powai. This plant is grid connected with a net-metering arrangement. SCI-MTI became the first Green Campus in the Maritime Education Industry in 2017. This Roof-top Solar PV Plant, which is one of the largest installations in Mumbai, not only contributes to the reduction in SCI's carbon footprint but also provides substantial financial savings. SCI-MTI has already increased its solar power generation capacity to 0.5 MW and reduced its electricity bills by approx. 50 – 60% on a monthly basis this year.

High Level Interactions

Capt. Anoop Kumar Sharma, CMD, SCI at the Banquet hosted by the President of India in honour of 'His Excellency Dr Hassan Rouhani, President of the Islamic Republic of Iran' on 17th , February 2018, held at Rashtrapati Bhavan, New Delhi

Capt. Anoop Kumar Sharma, CMD, SCI interacting with Shri Arun Jaitley, Minister for Finance & Corporate Affairs then Minister for Defence, GOI in the presence of V. Admiral Luthra, FOC-in-C(W)

Augmentation of Tonnage

The Shipping corporation of India Ltd acquired second-hand Multi Purpose Support Vessel (MPSV) SCI Saraswati on 7th July, 2017 having a gross tonnage of 3,616 and deadweight of 3719 tonnes

The Shipping corporation of India Ltd acquired second hand Very Large Gas Carrier (VLGC) 'Nanda Devi' on 14th September 2017 having a gross tonnage of 46,506 and deadweight of 53,503 tonnes

The Shipping Corporation Of India Ltd.

Navratna Company
(ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007 Certified)

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 fulfill its objectives as mentioned below:

- To provide its clientele safe, environmental 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 major player in India's offshore and other marine activities and to continue to explore oppotunities 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 minimise risks and environmental impacts for achieving Safety, Health and Environmental performance.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Capt. Anoop Kumar Sharma
Chairman & Managing Director

Shri Shambhu Singh
Government Director

Shri Satinder Pal Singh
Government Director

Shri Arun Balakrishnan
Independent Director

Shri Sukamal Chandra Basu
Independent Director

Smt. H.K. Joshi
Director

Shri S.V. Kher
Director

Dr. Gautam Sinha
Independent Director

Shri Raj Kishore Tewari
Independent Director

Dr. P. Kanagasabapathi
Independent Director

Smt. Sangeeta Sharma
Director

Shri Rajesh Sood
Director

Shri Surinder Pal Singh Jaggi
Director

Shri Vijay Tulshiramji Jadhao
Independent 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 68th Annual General Meeting of your Company. I am pleased to place before our esteemed shareholders, the 68th Annual Report of your Company for the financial year 2017-2018. This report describes in detail the working of your Company for the financial year ended 31st March 2018. 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 Rs. 253.75 crores (consolidated net profit Rs.306.5 crores) excluding Other Comprehensive Income for the year ended 31st March 2018 as against a standalone net profit of Rs.142.28 excluding Other Comprehensive Income for the year ended 31st March 2017.

Your Company being a diversified company has been able to absorb the losses in certain segments. There has been marginal increase in the operating revenues compared to the previous year. It is also interesting to observe the increasing contribution of liner and dry bulk segments to your company's revenue which has been able to offset the losses from the tanker segment.

Global Shipping Scenario

While factors such as global GDP and world merchandise growth are aiding gradual recovery in shipping; geo-political and local factors are offering a drag. Most recently, the threat of 'Trade Wars' has become very real. Modern world has been spectacle to numerous wars and crises such as military wars, civil wars, proxy wars and most recently currency wars. Such crises of the modern era have affected the Shipping business quite directly. The looming clouds of uncertainty over the impact of 'Trade Wars' has already started disrupting the recovery process.

In addition to the trade war dynamics, other geopolitical events such as the return of US sanctions on Iran, attack on maritime assets near the maritime borders of Yemen, war concerns in Syria, currency and debt crisis in Argentina and Turkey, economic concerns in Italy and Spain, record inflations in Venezuela etc are adding further uncertainty to the global trade. Last year was a mixed bag of problems with OPEC agreements, increasing Crude Oil output from North America, bankruptcy of large companies, slowdown in China, cyber-attacks on maritime assets etc. This year has been far worse. Protectionism is the word that is looming large over the developed and developing economies.

The rising world crude oil prices have resulted in an increase in the bunker prices across the world. This coupled with extremely low charter rates and erratic foreign exchange rates, is causing further strain across various segments of shipping. Shipping is further gearing up to comply with IMO's Sulphur norms by 2020. The additional costs likely to be incurred on account of Scrubbers / low Sulphur fuel / New Engine designs have to be weighed in keeping techno-economic feasibility in mind. Therefore, extremely trying times continue to hover around us.

Operations

It is heartening to see that depressed sentiments have been replaced by cautiously optimistic sentiments. During the past couple of quarters, certain segments of shipping such as Liner and Dry Bulk segments have seen some revival and moderate increase in charter rates. 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. The longer global economic growth remains weak and lacks investment, the lower future growth potential for shipping.

Tanker segment (Crude as well as Product) are yet to recover from the lows. Charter rates across the segments of the tanker trade are at dismal levels. VLCC rates are at abysmally low levels. In comparison, the Container trade has seen some improvement during the second half of the year which has led to increase in revenues from your company's Liner Division. The dry bulk segment has also seen some decent revival and increase in charter rates. As a result, dry bulk segment has also increasingly contributed to the overall revenue of your company. The Offshore market has continued to remain tepid and the revenue from the segment has remained flat.

Acquisitions and Disposals

Over the years, your company has successfully retained its position as the largest and India's most diversified shipping company of the country and has been a frontrunner in terms of growth, diversification and replenishment of its tonnage. During the financial year, your company has acquired one second-hand Multipurpose Support Vessels viz., 'SCI Saraswati', one second-hand Suezmax tanker 'Desh Abhimaan' and one Very Large Gas Carrier 'Nanda Devi'.

Your company has also been periodically phasing out economically unviable ships from time to time including the erstwhile oldest vessel in SCI's fleet viz., 'Harshavardhana'. Your company is also looking to sell and replace more economically unviable ships in the coming months. With a younger and modern fleet your company will be fully geared up to take advantage of the better freight market conditions.

Other Corporate developments

Your Company was awarded the Emergency Towing Vessel contract by Directorate General of Shipping (DGS) for the period from June 2017 to October 2017 during the monsoon period. This contract ensures that the contracted vessel of your company stays in a state of readiness to attend to any distress call of any vessel on the coast of India during the monsoon. Your company is glad to once again bag this contract and would like to get into a long term arrangement with DGS.

In line with Indian government's policy of promoting coastal shipping and connectivity, your company has started a new service between the Indian mainland and Andaman and Nicobar Islands viz., Chennai Port Blair Service. This new service is expected to facilitate and augment the movement of cargo from ports on the west coast of India to Port Blair via Chennai. This service will immensely benefit the shippers and the trade between east and west coasts of India. It is also proposed to expand this service to other ports in the eastern coast of India in the near future.

SCI and Petronet LNG Limited signed a Memorandum of Understanding on 1st Feb 2018 to develop potential business opportunities in the field of LNG and other hydrocarbons around the Indian coast and Inland waterways.

The Shipping Corporation of India Ltd. is committed to sustainable development and has taken major steps. It is a matter of profound joy and pride for the entire SCI family that our commitment has materialized in the form of the 353.5kwp Solar Photo Voltaic Power Plant at SCI's Maritime Training Institute (MTI) at Powai. This plant is grid connected with net-metering arrangement. The installation of the plant, with all requisite approvals, was completed on 30th November 2016. SCI-MTI became the 1st Green Campus in Maritime Education Industry in 2017 upon its inauguration. This Roof-top Solar PV Plant, which is one of the largest installations in Mumbai, not only contributes to the reduction in SCI's carbon footprint, but also provides substantial financial savings. SCI-MTI has already increased its solar power generation capacity to 0.5 MW and reduced its electricity bills by approx. 50 – 60% on a monthly basis.

During financial year 2017-2018, your company has also undertaken various initiatives under Corporate Social Responsibility (CSR) broadly in the areas of 'Swach Bharat Abhiyan & Ganga Rejuvenation', Promotion of Education, Women Empowerment & Gender Equality, Preventive Health Care, Ensuring Environment sustainability, employment enhancing vocational skills for Divyangjans / PwDs and few others.

Your company has signed the Memorandum of Understanding with the Ministry of Shipping for the Financial Year 2018-2019 on 08th May 2018 at New Delhi. The evaluation for performance of your company for the financial year 2017-2018 is under progress and the Government of India shall come announce the final ratings in a couple of months. We expect to achieve a better rating as compared to financial year 2016-2017.

Awards & Accolades bestowed upon your company during FY 2017-18

- 'Coastal Shipping Operator of the Year' at The Gateway Awards 2017, Mumbai.
- 'Coastal Container Vessel Operator of the Year' at India Seatrade Awards 2017, Kochi.
- 'Pride of the Nation' Award at 'Pride of Seas' 2017, Chennai.
- 'The Maritime Education & Training Award' at The Maritime Standard Awards 2017, Dubai.
- 'Training Award' at Lloyds' List South Asia Middle East & Africa Awards (SAMEA) 2017, Dubai.
- 'First prize – Best Corporate Film' at SCOPE Corporate Communication Awards 2017, Delhi.
- 'Shipping company of the year – Indian flag' at Samudra Manthan Awards 2017, Mumbai.

Employee engagement

Despite such challenging times, your company has been winning awards both nationally as well as at international level. Especially in troubled times, it is important to keep the morale of the employees high and their spirits directed towards better objectives. It is said that better communication within the organisation is a system of incentivisation.

Numerous employee engagement and Smart Manager initiatives have been commenced at your company. Plethora of activities were conducted to give fillip to the employee engagement programmes which include Breakfast series, a 12 week Yoga programme, WIPS activities, Cultural programmes during the Incorporation day and a few others. SCI LEAP has been initiated to sensitize employees on MOU targets and challenges faced by SCI and to therefore enthuse employees to put forward their best collective effort towards the growth of the company. SCI EMPOWER, Chairman's Trophy for young managers has been launched with a view to promote managerial excellence among young managers. In addition, SCI's Women in Public Services team has been actively participating in various events across Mumbai and have aimed to win the First prize at National Level this year.

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 his leadership and for providing consistent 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 gratitude towards Shri Gopal Krishna, Secretary (Shipping) for his guidance 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 gratitude towards Directorate General of Shipping for its support and understanding of various problems being faced by the Indian shipping industry and specifically by your Company. I also wish to express my special appreciation 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

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 36 years at various responsible levels. He is a Fellow of Institute of Chartered Shipbrokers, London and holds a Diploma in Marketing Management from Narsee Monjee Institute of Management Studies, Mumbai. In his previous stint, Capt. Sharma has served as the Managing Director of Essar Shipping Ltd.

Capt. Sharma is currently the President of Indian National Shipowners' Association (INSA), Member of the Research Council of CSIR - Central Electrochemical Research Institute (CECRI), Karaikudi, is on the Boards of Baltic and International Maritime Council (BIMCO), Indian Register of Shipping (IRS), North of England Protection & Indemnity Club, Bombay Chamber of Commerce & Industry and SCI's Joint Venture companies. 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.

Shri Shambhu Singh - *Government Director*

Shri Shambhu Singh after having worked as a teacher of Economics and in the Indian Revenue Service, joined the Manipur-Tripura Cadre of I.A.S. in the year 1986. He has varied administrative experiences, particularly in insurgency affected areas. Having worked in the border areas, he understands the complexities involved in border policing and other related issues. Besides having worked in various capacities in the State, he has served as Joint Development Commissioner for Small Scale Industries, Director and Joint Secretary and Financial Advisor in the Ministry of Science & Technology, Government of India. In that capacity, he was also on the negotiating team of India in the United Nations Framework Convention on Climate Change. He worked as Joint Secretary in the Ministry of Home Affairs, looking after the North-East. He also worked as Addl. Chief Secretary, Manipur looking after Forest, Environment & Climate Change and Public Health Engineering Departments. Presently he is serving as Additional Secretary & Financial Advisor in Ministry of Road Transport & Highways and Shipping.

Shri Satinder Pal Singh - *Government Director*

Shri Satinder Pal Singh is a Part Time Official (Nominee) Director of the Company representing Ministry of Shipping, Government of India. He was inducted into the Board from 28th August, 2017. Shri Satinder Pal Singh is a Civil Engineer and also holds Post Graduate degree in Law from Brunel University, London and a Master's Degree in Police Management from Osmania University, Hyderabad. He is an IPS Officer of 1995 batch (Himachal Pradesh cadre) and has served in senior positions in the State Government of Himachal Pradesh, including Superintendent of Police, Special Secretary in the Department of Home and Inspector General of Police. He is currently posted as Joint Secretary, Ministry of Shipping, Government of India and prior to this he has served as Director (Housing) in the Ministry of Housing and Urban Affairs.

Shri Arun Balakrishnan - *Independent 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 a Non Executive Independent Director on the Boards of a number of prestigious companies in 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.

BOARD OF DIRECTORS

Shri Sukamal Chandra Basu - *Independent 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 the 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.

Smt. H.K. Joshi - *Director*

Smt. H.K.Joshi, Director (Finance) joined SCI on 5th February, 2015 and was also appointed as CFO of the Company w.e.f the same date. She has also held the additional charge of Director (P&A) w.e.f. 11th August, 2017. The charge was handed over to the new incumbent w.e.f. 24th April, 2018.

With a very rich and diversified experience spanning over three decades with ONGC, a Mammoth Maharatna PSU, her experience 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. This assignment gave her a lot of opportunity to travel and develop her professional attributes to International standards. She started her career as a Lecturer in Delhi University and joined the corporate world in 1984. She is a Fellow Member of the Institute of Cost Management Accountants of India. Mrs Joshi, a B.Com (Honours) & an M.Com from the prestigious Delhi School of Economics, Delhi University has been 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 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. On 3rd of February 2018, she has been conferred with the Best Woman Employee Award 1st Place (Executive Category) by the Forum of Women in Public Sector (under the aegis of SCOPE).

She believes in team work which is evidenced with the various group awards that she received in her previous assignment with ONGC.

Shri Shrikant V. Kher - *Director*

Shri Shrikant V. Kher, Director of Bulk Carriers and Tankers joined the Shipping Corporation of India in 1985 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 projects, Business Development and Commercial operations of Bulk Carriers & 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. At the helm of the BNT Division, he continues to provide a thrust for catering to the requirement of sea transportation for various energy resources required by the Indian Charterers/Industry.

BOARD OF DIRECTORS

Dr. Gautam Sinha - *Independent Director*

Dr. Gautam Sinha was inducted as an Independent Director on the Board of Shipping Corporation of India Ltd in September 2017. Dr. Sinha received his PhD from Department of Industrial Engineering & Management, IIT Kharagpur in 2001. Dr. Sinha is an M Tech (Industrial Engineering & Management) from IIT- ISM Dhanbad in 1990 and B Tech (Production), BIT Sindri in 1978. He is currently professor, VGSOM, IIT Kharagpur and was the Founder Director of IIM Kashipur from May 2012 to May 2018.

Dr. Sinha has been conferred upon various awards viz.; 'Best Teacher in Operations Management' award at Asia's Best B-School Awards, Singapore, '100 most influential Directors in India','Thought Leader Award',' Institution Builder' to name a few. Prior to his position as Director, IIM Kashipur, he held the charge of Director, Lal Bahadur Institute of Management, Delhi from April 2011 to May 2012. Dr. Sinha has assumed various responsibilities in the field of academics as Professor, in IIT Kharagpur from 2002-2011. Dr. Sinha was involved in teaching Operations Management, Supply Chain Management, Manufacturing Strategy, Service Operations to MBA students, conducting MDPs for executives, guiding PhD researchers and designed new Executive MBA Programme which was launched at Kolkata in 2010. Prior to his career in IIT Kharagpur, from the period 1990-2002, Dr. Sinha also held charge of Senior Deputy Director in Management Training Institute (MTI) of SAIL wherein, he implemented ISO 9001:1984 QA system in 1993 and helped MTI win Golden Peacock National Quality Awards. From the period 1979-1990 he held responsibility as Industrial Engineer in Bokaro Steel Plant, SAIL and as Trainee Engineer in Larsen & Toubro from 1978-79. Dr. Sinha has got to his credit various publications on Research methodology, Customer Relationship Management in Retail etc. He has received training in teaching/learning pedagogy at Harvard Business School in 2013 and TQM at Institute for Resource Development, Maryland in 1991. He has also undertaken consultancy assignments and MDPs for various companies in India and abroad.

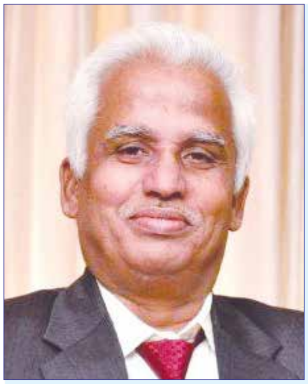
Shri Raj Kishore Tewari - *Independent Director*

Shri Raj Kishore Tewari has been inducted as an Independent Director on the Board of Shipping Corporation of India Ltd in September 2017. He has done his B.Sc. (Hons) and M.Sc. (Physics) from the University of Lucknow, M.Sc. (Fiscal Studies) from the University of Bath, U.K. and LLB from the University of Mumbai.

Shri Tewari was recruited to the Indian Revenue Service in 1976 and has been a part of the Direct Taxes Administration since then till retirement. He has expertise and wide experience of around 38 years in matters relating to direct taxes and has retired as the Chairman of the Central Board of Direct Taxes (CBDT). He has been actively involved in formulation, implementation and administration of Direct Taxes policy of the Government of India.

As a Member/Chairman of CBDT, he has attended international seminars/conferences. Shri Tewari has also been in the panel of advisors of UPSC for various interview boards and member of Expert Group appointed by DOPT. He was a member of high level committee appointed by Department of Corporate Affairs for strengthening disciplinary mechanism in professional institutes i.e. ICAI, ICSI and ICMI.

Shri Raj Kishore Tewari is a Government nominee in the Board of Discipline of Institute of Chartered Accountants of India and also an independent Director in MGL Mumbai.



Dr. P. Kanagasabapathi - *Independent Director*

Dr. P. Kanagasabapathi was inducted as an Independent Director on the Board of Shipping Corporation of India Ltd in November 2017. A Professor of Management and Adjunct Professor of Law, he obtained his Doctorate in Capital Markets and Investment Management as a UGC Research Fellow. He has a Post Graduate Degree in Commerce from the University of Madras, besides a degree in Law. Known for his pioneering field studies in industrial and business centres, he and his team have been taking up studies in different parts of India and had completed a major study for the Gujarat Government. He is involved in India-centric research and studies for more than two decades and was earlier the Director of state level research and training institute promoted by the Tamil Nadu Government.

Dr. Kanagasabapathi writes in English and Tamil. One of his books entitled Indian Economic, Business and Management Models is considered a pioneering initiative towards indianizing the economics and management education and is used as a text/reference in the premier national institutions. He has been working with the central and state bodies and had earlier served as the elected President of a agricultural Cooperative bank.

BOARD OF DIRECTORS

Smt. Sangeeta Sharma - *Director*

Smt. Sangeeta Sharma took over charge of Director (Liner & Passenger Services) of The Shipping Corporation of India Ltd. (SCI) in December 2017.

Smt. Sharma has done her Masters in Management Studies from World Maritime University, Malmo, Sweden. She holds degrees in Masters of Personal Management & B. Com. from Pune University. She has a vast experience of over 32 years at SCI and has served at various responsible levels in Purchase & Services Division, Technical & Offshore Services Division, Bulk Carrier & Tanker Division and Liner & Passenger Services Division. During her tenure with SCI, she has acquired in depth knowledge of shipping business and has been an important pillar of the company in bringing control and stability in operations. Her core competencies are strategic planning, commercial operations, contract negotiations, project management and personnel management.

Smt. Sharma was the premier in starting of the Gulf and Coastal container services (SMILE Service) of SCI in the year 2008. She has handled commercial operations of various sectors like Europe, USA, Gulf& Coastal and has also managed feeder services of SCI.

Shri Rajesh Sood - *Director*

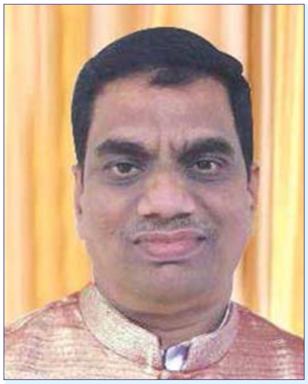
Shri Rajesh Sood took over as the Director (T&OS) of The Shipping Corporation of India Ltd. (SCI) in December 2017. He is a Marine Engineer holding Class I (Motor) certificate of competency issued by Ministry of Transport and Masters' degree in Shipping Management from the World Maritime University, Malmo, Sweden. Shri Sood has a vast experience of over 33 years in various segments of Maritime field. He started his professional journey with "The Shipping Corporation of India" in 1984 as a 5th Engineer officer. After serving on diverse types of ships in various ranks for 15 years, he joined shore establishment in 1998. He gained experience performing diverse roles across various departments including shipbuilding & services, tanker technical and bulk carrier technical. He was also involved in a number of ship acquisition projects from conceptual design stage till delivery of various types and sizes of the vessels. During his tenure as Senior Vice President, he was responsible for bringing much needed stability and control in operations.

Shri Surinder Pal Singh Jaggi - *Director*

Shri Surinder Pal Singh Jaggi took over as Director (Personnel & Administration) of The Shipping Corporation of India Ltd. on 24th April, 2018. Prior to assuming charge of the office of Director (Personnel & Administration) in SCI, Shri Jaggi was working as ED (P&A), SAIL Corporate office looking after all functions of Personnel, Training, Estate Administration, Industrial Relations & Welfare. Shri Jaggi holds a degree in BA (Hons.), Political Science, Diploma in Social Welfare, LLB, PG Diploma in Journalism & Communication. He was also sponsored for a three months certificate course on Personnel Management in the Royal Institute of Public Administration, (RIPA), London.

An active Management Trainer and Quiz Master, Shri Jaggi is a life member of Quality Circle Forum of India and National Institute of Personnel Management.

Shri Jaggi has over 35 years of experience in HR & allied functions, dealing with diverse Key HR processes like Development and Implementation of HR Policy, Talent Promotion, Innovative Learning and Development Initiatives, Performance Management, Employee Involvement and Engagement, Shop-floor Discipline Management and Industrial Relations in Mines, Works and Non-works areas of Bhilai Steel Plant, the flagship unit of Maharatna company, SAIL. He has also worked in the field of Public Relations, Business Excellence, Liaison & Administration etc.



Shri Vijay Tulshiramji Jadhao - *Independent Director*

Shri Vijay Tulshiramji Jadhao was inducted as an Independent Director on the Board of Shipping Corporation of India Ltd in July 2018. He is a business consultant having experience of more than 30 years in corporate sectors. He is also a member of various Non-Governmental and educational Institutions in Vidarbha region of Maharashtra like Shri Vyankatesh Seva Samiti, Washim etc. His core competency lies in deep understanding of agriculture sectors. He is also Ex-Director of Maharashtra Agro Industries Development Corporation (MAIDC).

He is also closely associated as Guest Faculty with various reputed Management and Engineering Institutes. He has conducted various training programmes on project management and also working as an Advisor for corporate training assignments and training faculty.

Shri Jadhao is also involved in co-operative sectors and co-operative Banks in Maharashtra like Akola District Central Co-op Bank Ltd. He is a Social Activist and his social contacts and experience in business are also very helpful to the future prospects of various company.

BOARD OF DIRECTORS

Sitting from L to R : Smt. Sangeeta Sharma - *Director,* **Shri Satinder Pal Singh -** *Government Director*, **Capt. Anoop Kumar Sharma -** *Chairman & Managing Director*, **Shri Shambhu Singh -** *Government Director,* **Smt. H.K. Joshi -** *Director*
Standing from L to R :Shri Surinder Pal Singh Jaggi - *Director*, **Shri Shrikant V. Kher -** *Director*, **Dr. Gautam Sinha -** *Independent Director*, **Shri Raj Kishore Tewari -** *Independent Director*, **Shri Vijay Tulshiramji Jadhao -** *Independent Director*, **Shri Arun Balakrishnan -** *Independent Director*, **Shri Sukamal Chandra Basu -** *Independent Director*, **Dr. P. Kanagasabapathi -** *Independent Director,* **Shri Rajesh Sood -** *Director*

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

S. No	NAME	TITLE	DES	LOCATION	DIVISION
1	DIPANKAR HALDAR	Mr.	ED	MUM	Board Secretariat and Legal Affairs
2	SARAIYA NAISHAD R.	Mr.	ED	MUM	Personnel & Administration
3	MANDAL SHILADITYA	Mr.	GM	Port Blair	Port Blair
4	MAJI SWAPAN K.	Mr.	GM	KOL	Kolkata
5	MESHRAM BALA V.	Mr.	GM	MUM	Finance & Accounts
6	BARAI ASHOKE K.	Mr.	GM	MUM	Liner & Passenger Services
7	MATHEWS PHILIP	Capt.	GM	MUM	Personnel & Administration
8	PATEL ASHWIN V.	Mr.	GM	MUM	Finance & Accounts
9	UBALE ATUL L.	Mr.	GM	MUM	Bulk Carrier & Tanker
10	SUNDERAJAN SUMATHI	Ms.	GM	MUM	Finance & Accounts
11	SHARMA ANIL K.	Capt.	GM	MUM	Technical & Offshore Services
12	KULKARNI PRADEEP V.	Mr.	GM	MUM	Purchase & Services
13	BHANDARI VIJAY K.	Mr.	GM	MUM	Bulk Carrier & Tanker
14	WAGLE MILIND R.	Mr.	GM	MUM	Finance & Accounts
15	KULKARNI ANJALI P.	Ms.	GM	MUM	Finance & Accounts
16	MISRA SANDEEP	Mr.	GM	MUM	Bulk Carrier & Tanker
17	MURUGADAS J.	Mr.	GM	MUM	Information Technology
18	VINOD G.	Mr.	GM	MUM	Liner & Passenger Services
19	GANGOPADHYAY PRABIR K.	Mr.	GM	MUM	Bulk Carrier & Tanker
20	TYAGI BINESH K.	Capt.	GM	MUM	Bulk Carrier & Tanker

DECADE AT GLANCE

OPERATIONAL STATISTICS

(Figures in Crores of ₹)

	IGAAP								IND AS			
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2015-16*	2016-17	2016-17**	2017-18
Operating Earnings	4166.6	3463.1	3543.4	3820.8	4152.5	4155.2	4153.8	4078.3	4049.9	3446.9	3447.4	3469.5
Interest Income	272.7	218.2	191.4	183.4	107.3	103.3	145.9	113.2	114.1	106.4	106.4	86.3
Other Income	125.2	215.0	285.0	495.9	236.4	280.5	288.0	85.7	50.7	38.8	38.8	61.7
Total Earnings	4564.5	3896.3	4019.8	4500.1	4496.2	4539.0	4587.6	4277.2	4214.7	3592.1	3592.6	3617.5
Operating Expenses	2815.7	2771.0	2254.5	3328.4	3273.7	3112.3	2794.2	2339.6	2098.8	2141.3	2178.0	2,223.0
Other Expenses	266.5	216.7	576.7	515.7	668.4	585.6	567.8	636.9	612.4	535.4	490.6	574.9
Interest Expenses	64.7	52.5	66.9	387.3	161.8	206.1	179.3	160.6	171.9	172.2	172.2	179.8
Depreciation	323.9	380.1	465.1	608.7	760.5	856.4	770.2	580.0	542.3	566.1	566.1	610.3
Impairment	-	-	-	-	-	-	-	136.4	-	-	-	-
Exceptional items	39.1	-	-	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	(299.7)	-	-	-	-	-	-	-
Tax Liability	113.9	99.1	89.3	88.2	45.8	53.3	75.2	46.5	36.1	41.7	43.5	(224.3)
Deferred Tax Provision written back	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	3623.8	3519.4	3452.5	4928.3	4610.5	4813.7	4386.7	3899.9	3461.4	3456.6	3450.3	3363.7
Profit after Tax	940.7	376.9	567.3	(428.2)	(114.3)	(274.7)	200.9	377.3	753.3	135.5	142.3	253.8

** Figures are restated as per IND AS   ** Figures are restated as per IND AS 8*

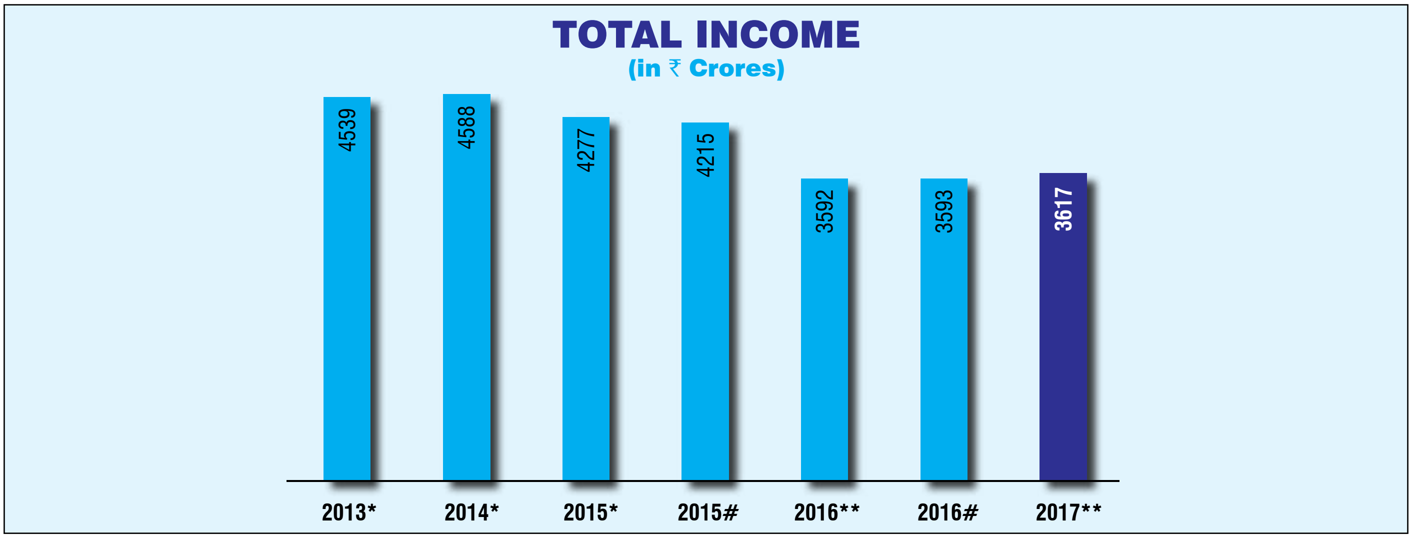
FINANCIAL HIGHLIGHTS:

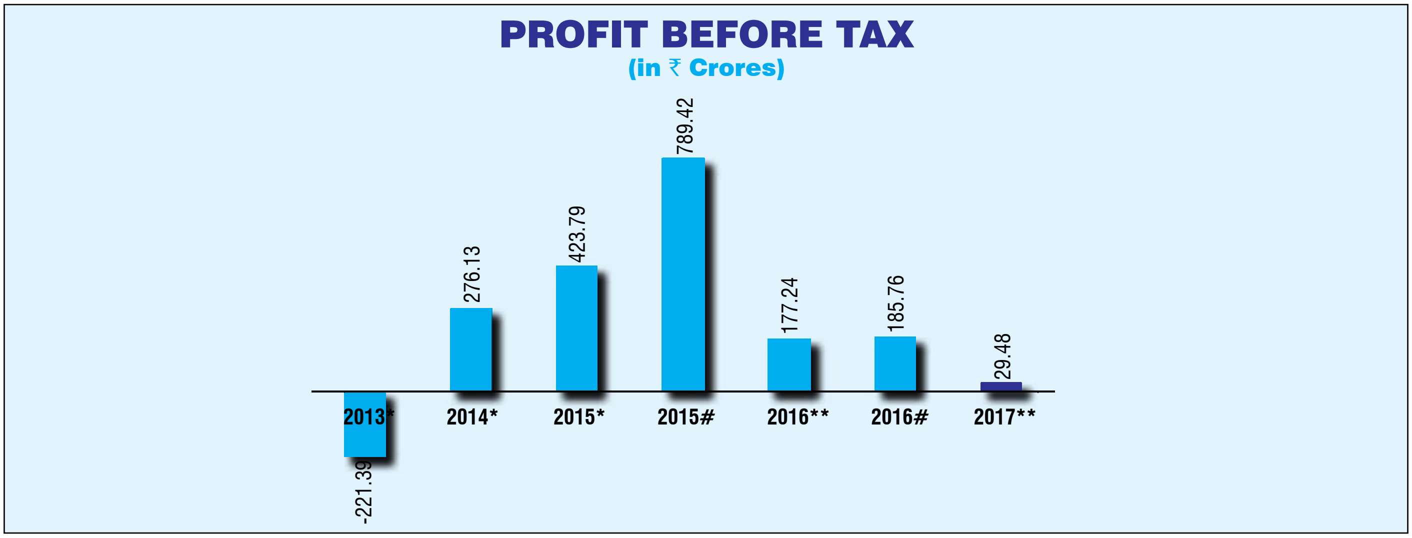
(Figures in Crores of ₹)

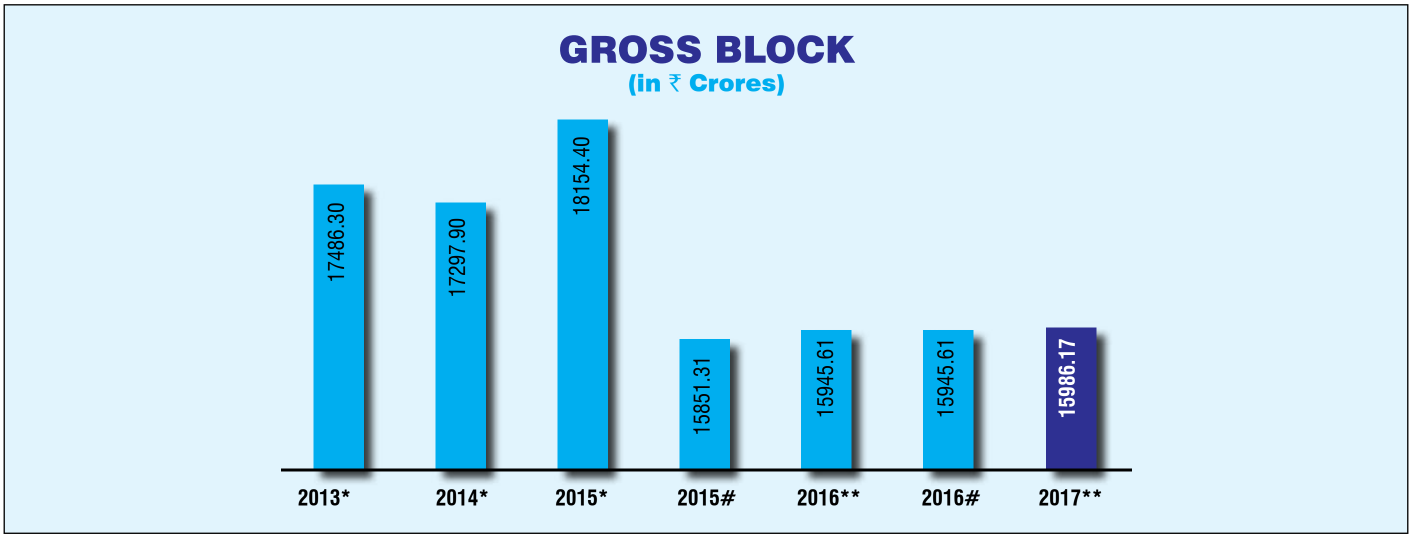
	IGAAP								IND AS			
	31-03-09	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15	31-03-16	31-03-16*	31-03-17	31-03-17**	31-03-18
WHAT THE COMPANY OWNED												
Fixed Assets												
Gross Block	8161.9	8893.2	11841.3	13334.4	16556.8	17486.3	17,297.9	18,154.4	15,851.3	15,945.6	15,945.6	15,986.2
Less:Depreciation(Cum) & Impairment	4333.9	4386.4	4472.1	4421.6	5017.0	5551.6	5,853.4	6,551.0	4,024.1	4,534.9	4,534.9	4,638.2
Net Block	3828.0	4506.8	7369.2	8912.8	11540.3	11934.7	11,444.5	11,603.4	11,827.2	11,410.7	11,410.7	11,348.0
Assets under Construction	2099.9	1854.7	1790.4	1833.3	1572.5	710.9	490.9	-	-	27.3	27.3	7.8
Working Capital	2640.9	2505.7	2431.0	2036.6	1550.1	1837.6	1,341.3	1139.6	1027.0	216.4	226.4	25.8
Investments	111.5	166.7	292.7	274.6	117.7	113.5	90.1	65.3	65.7	74.6	74.6	130.9
	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	11,739.1	11,512.5
WHAT THE COMPANY OWED												
Long Term Funds:												
Bank Loans	2471.7	2696.9	4715.2	6323.0	7707.4	8000.5	6,833.2	5897.9	5844.8	4518.1	4518.1	3,790.6
Unsecured Loans	-	-	-	-	457.0	256.4	-	-	-	-	-	520.4
	2471.7	2696.9	4715.2	6323.0	8164.4	8256.9	6,833.2	5,897.9	5,844.8	4,518.1	4,518.1	4,311.0
Deferred Tax Liability	-	-	-	-	-	-	-	-	**351.6**	343.6	388.2	104.0
NET WORTH OF THE COMPANY												
Share Capital	423.5	423.5	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8
Reserves & Surplus	5785.0	5913.5	6702.3	6268.5	6150.4	5874.0	6,067.8	6444.6	6257.7	6401.6	6367.0	6,631.8
Deferred Revenue Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
	6208.5	6337.0	7168.1	6734.3	6616.2	6339.8	6,533.6	6,910.4	6,723.5	6,867.4	6,832.8	7,097.6
Dividend paid	275.2	211.7	256.2	-	-	-	-	-	-	-	-	-
Dividend %	65.0	50.0	55.0	-	-	-	-	-	-	-	-	-

** Figures are restated as per IND AS   ** Figures are restated as per IND AS 8*

GRAPHS

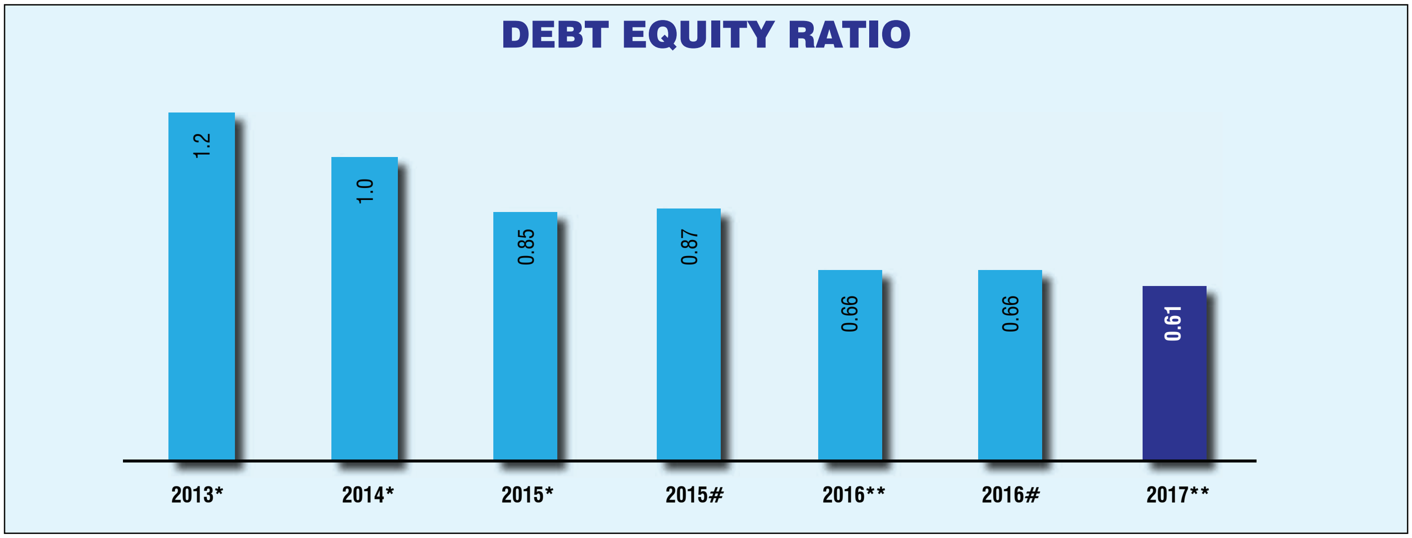


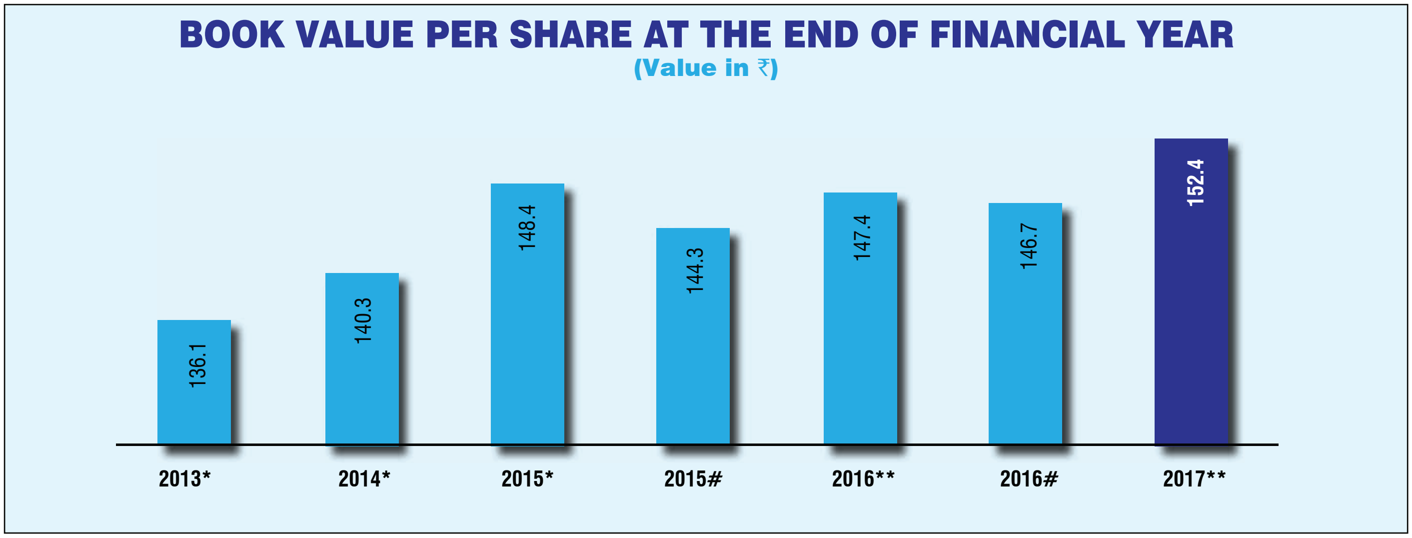




1. * IGAAP. 2. # Restated Ind AS. 3. ** Ind AS. 4. Fiscal year 2013 represents financial year 2013-14, 2014 – Financial year 2014-15, 2015 – Financial year 2015-16, 2016 – Financial year 2016-17 and 2017 – Financial year 2017-18.

GRAPHS





1. * IGAAP. 2. # Restated Ind AS. 3. ** Ind AS. 4. Fiscal year 2013 represents financial year 2013-14, 2014 – Financial year 2014-15, 2015 – Financial year 2015-16, 2016 – Financial year 2016-17 and 2017 – Financial year 2017-18.

SALIENT STATISTICS 2017-18

Authorised Capital	₹ 1000.00 Crores
Subscribed & Paid-up Capital	₹ 465.80 Crores
Depreciation and Amortisation	₹ 610.25 Crores
Gross Earnings	₹ 3617.47 Crores
Gross Investment on Fleet	₹ 12926.76 Crores
No. of Passengers carried (including managed vessels)	516903
No. of Employees (including crew) (As on 1st July, 2018)	2153
Vessels Owned (As on 1st July, 2018)	
• **Number**	66
• **Tonnage**	5.863 million DWT 3.266 million GT
Vessels on Order (As on 1st July, 2018)	NIL
No. of Acquisitions from date 1st April, 2017 till 3rd August, 2018	3

NOTICE OF MEETING

NOTICE is hereby given that the 68th 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 25th day of September 2018 to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements as on 31.03.2018 and Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri S.V. Kher who retires at this meeting and being eligible, offers himself for re-appointment.
3. To fix remuneration of auditors for the Financial Year 2018-19.

SPECIAL BUSINESS BY ORDINARY RESOLUTION

4. To consider and pass the following resolution:
   "RESOLVED THAT Smt. Sangeeta Sharma (DIN: 07969443), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as a Director of the Company".
5. To consider and pass the following resolution:
   "RESOLVED THAT Shri Rajesh Sood (DIN: 07958667), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as a Director of the Company".
6. To consider and pass the following resolution:
   "RESOLVED THAT Shri Surinder Pal Singh Jaggi (DIN: 08116127), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as a Director of the Company".
7. To consider and pass the following resolution:
   "RESOLVED THAT Dr. Gautam Sinha (DIN: 02480182), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as Non-official part-time (Independent) Director of the Company".
8. To consider and pass the following resolution:
   "RESOLVED THAT Shri Raj Kishore Tewari (DIN: 07056080), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as Non-official part-time (Independent) Director of the Company".
9. To consider and pass the following resolution:
   "RESOLVED THAT Dr. Palanisamy Kanagasabapathi (DIN: 07986023), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as Non-official part-time (Independent) Director of the Company".
10. To consider and pass the following resolution:
    "RESOLVED THAT Shri Vijay Tulshiramji Jadhao (DIN: 02907818), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as Non-official part-time (Independent) Director of the Company".

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

Registered Office:
Shipping House, 245, Madame Cama Road, Mumbai – 400 021.
Dated : 03.08.2018

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. 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 on or before 24.09.2018 till 5 p.m.

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

iv. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.09.2018 to 25.09.2018. 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

v. 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 2010-11(Final). The investor may also visit 'Investors' section of www.

shipindia.com. The dividend paid for the year 2009-10 (Final) and 2010-11 (Interim) 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 and also the details of shares liable for transfer in the name of IEPF Authority on the aforesaid link.

vi. **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.**

vii. **Shareholders are requested to update their PAN and bank details with the RTA/Depository. The shareholders holding shares in physical form have to get the same dematerialised at the earliest.**

viii. 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.

ix. 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).

x. 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.

xi. 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.

xii. The Scrutinizer, after scrutinizing the votes cast at the meeting (through poll) and through remote e-voting, will, not later than 48 hours 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 22.09.2018 at 9 AM and ends on 24.09.2018 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 18.09.2018 (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 / Members

(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 changed 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 Custodians 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.

(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 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013, or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

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 : 03.08.2017

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

The following explanatory statement sets out all the material facts relating to special business mentioned in Item No.4 – Item No. 10 of the accompanying notice dated 03.08.2018 convening the 68th Annual General Meeting of the Company.

Item No. 4 of the Notice

The Board of Directors of the Company appointed Smt. Sangeeta Sharma as an Additional Director of the Company with effect from 29.12.2017, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Smt. Sharma would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder along with the deposit of requisite amount under Section 160 of the Act proposing her candidature for the office of Director of the Company. A brief profile of Smt. Sangeeta Sharma is given under the section 'Board of Directors' of the Annual Report.

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

Item No. 5 of the Notice

The Board of Directors of the Company appointed Shri Rajesh Sood as an Additional Director of the Company with effect from 29.12.2017, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Shri Sood would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company. A brief profile of Shri Rajesh Sood is given under the section 'Board of Directors' of the Annual Report.

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

Item No. 6 of the Notice

The Board of Directors of the Company appointed Shri Surinder Pal Singh Jaggi as an Additional Director of the Company with effect from 24.04.2018, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Shri Jaggi would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company. A brief profile of Shri Surinder Pal Singh

Jaggi is given under the section 'Board of Directors' of the Annual Report.

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

Item No. 7 of the Notice

The Board of Directors of the Company appointed Dr. Gautam Sinha as an Additional Director of the Company with effect from 29.09.2017, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Dr. Sinha would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder under Section 160 of the Act proposing his candidature for the office of Director of the Company. A brief profile of Dr. Gautam Sinha is given under the section 'Board of Directors' of the Annual Report.

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

Item No. 8 of the Notice

The Board of Directors of the Company appointed Shri Raj Kishore Tewari as an Additional Director of the Company with effect from 29.09.2017, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Shri Tewari would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder under Section 160 of the Act proposing his candidature for the office of Director of the Company. A brief profile of Shri Raj Kishore Tewari is given under the section 'Board of Directors' of the Annual Report.

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

Item No. 9 of the Notice

The Board of Directors of the Company appointed Dr. Palanisamy Kanagasabapathi as an Additional Director of the Company with effect from 20.11.2017, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Dr. kanagasabapathi would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder under Section 160 of the Act proposing his candidature for the office of Director of the Company. A brief profile of Dr. Palanisamy Kanagasabapathi is given under the section 'Board of Directors' of the Annual Report.

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

Item No. 10 of the Notice

The Board of Directors of the Company appointed Shri Vijay Tulshiramji Jadhao as an Additional Director of the Company with effect from 03.07.2018, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Shri Jadhao would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder under Section 160 of the Act proposing his candidature for the office of Director of the Company. A brief profile of Shri Vijay Tulshiramji Jadhao is given under the section 'Board of Directors' of the Annual Report.

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

ROUTE MAP OF AGM

ANNEXURE TO NOTICE

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

Name of Director	Shri S.V. Kher	Smt. Sangeeta Sharma
Date of Birth	23.09.1959	06.11.1960
Date of Appointment	01.10.2015	29.12.2017
Qualifications	• MBA (Marketing) • M.Sc. (Shipping Management) from World Maritime University, Malmo (Sweden)	• B.Com. • Masters of Personal Management (Pune University) • Master in Management Studies from World Maritime University, Malmo (Sweden)
Expertise in Specific functional areas	More than 33 years of experience in various facets of shipping industry especially offshore, bulk carriers and LNG tankers, including business development and commercial operations of the same.	Over 32 years of experience in all facets of shipping services especially in liner services.
Directorship held in other public companies (excluding Foreign, Private and Section 8 companies)	NIL	NIL
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Number of shares held in SCI	NIL	NIL
Number of Board Meetings Attended	Please refer Corporate Governance Report	Please refer Corporate Governance Report
Relationships between directors inter-se	NIL	NIL

Name of Director	Shri Rajesh Sood	Shri Surinder Pal Singh Jaggi
Date of Birth	20.04.1961	12.11.1960
Date of Appointment	29.12.2017	24.04.2018
Qualifications	• M.Sc. (Shipping Management) from World Maritime University, Malmo (Sweden) • Marine Engineer holding Class-I (Motor certificate) of competency (Ministry of Transport)	• BA (Hons.) - Political Science • Diploma in Social welfare • LLB • PG Diploma in Journalism & communication • He was also sponsored for certificate course of RIPA, London
Expertise in Specific functional areas	Over 33 years of experience in various segments of Maritime field including acquisition of ships of various types & sizes.	Over 35 years of experience of developing and implementing key HR processes in Maharatna PSU SAIL. Also, worked in the field of Public Relations, Business Excellence, Administration and Liaison.
Directorship held in other public companies (excluding Foreign, Private and Section 8 companies)	NIL	NIL
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Number of shares held in SCI	NIL	NIL
Number of Board Meetings Attended	Please refer Corporate Governance Report	Please refer Corporate Governance Report
Relationships between directors inter-se	NIL	NIL

ANNEXURE TO NOTICE

Name of Director	Dr. Gautam Sinha	Shri Raj Kishore Tewari
Date of Birth	28.10.1953	05.07.1954
Date of Appointment	29.09.2017	29.09.2017
Qualifications	• B.Tech (Production Engineering), BIT (Sindri) • M. Tech (Industrial Engineering & Management), IIT Dhanbad • PhD, IIT Kharagpur • Fellow of Institution of Engineers	• B. Sc. (Hons) • M. Sc. (Physics), University of Lucknow • M. Sc. (Fiscal Studies), University of Bath, U.K. • LLB, University of Mumbai
Expertise in Specific functional areas	More than 24 years of experience in Steel and Engineering industry followed by 16 years of academic experience at IIT & IIM.	Over 37 years of experience in finance/ accounts, administration and tax matters.
Directorship held in other public companies (excluding Foreign, Private and Section 8 companies)	NIL	NIL
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Number of shares held in SCI	NIL	NIL
Number of Board Meetings Attended	Please refer Corporate Governance Report	Please refer Corporate Governance Report
Relationships between directors inter-se	NIL	NIL

Name of Director	Dr. P. Kanagasabapathi	Shri Vijay Tulshiramji Jadhao
Date of Birth	15.04.1959	01.07.1960
Date of Appointment	20.11.2017	03.07.2018
Qualifications	• LLB • Post Graduate in Commerce • PhD in capital market and investment management	• BA • LLB
Expertise in Specific functional areas	More than 30 years of experience in academic field and involved in studies w.r.t. Indian Economics & Business System.	More than 30 years of experience as business consultant in corporate sector. Has a core competency in agricultural sector.
Directorship held in other public companies (excluding Foreign, Private and Section 8 companies)	NIL	NIL
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Number of shares held in SCI	NIL	NIL
Number of Board Meetings Attended	Please refer Corporate Governance Report	Please refer Corporate Governance Report
Relationships between directors inter-se	NIL	NIL

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 68th Annual Report on the working of your Company for the financial year ended 31st March, 2018.

Accounting Year

The year under report covers a period of 12 months ended on 31st March, 2018.

FINANCIAL PERFORMANCE

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

(₹ in Crores)

		2017-18		2016-17
Gross Earnings		3617		3592
Gross Profit (before interest, depreciation & exceptional items & tax)		820		923
Less : Interest	180		172	
Depreciation and Impairment	610	790	566	738
Profit before exceptional items & tax		30		185
Exceptional items		-		-
Provision for Taxation		224		(43)
Net Profit		**254**		**142**

The above figures have been extracted from the standalone financial statements as per Indian Accounting Standards (Ind-AS). The financial statement for the year 2016-17 has been restated to comply with Ind AS 8.

Appropriations:

The working results for your company for the year 2017-18 shows a net profit of Rs.253.75 crores. A sum of Rs. 9.07 crores has been transferred to Capital Reserve for financial year 2017-18. After adjusting an opening credit balance of Rs. 166.95 crores (being balance retained earnings brought forward from previous year) and adding items of other comprehensive income of Rs. 11.03 crores that are recognized directly in retained earnings, there is a credit balance in retained earnings of Rs. 422.67 crores as on 31st March 2018.

Brief Analysis of Financial Performance

SCI has reported a net profit after tax of Rs. 253.75 crores for the financial year 2017-18. The freight and charter hire rates in the tanker segment continued its downward trend due to depressed shipping market. Efficient capacity utilization of offshore and liner vessels coupled with cost control measures resulted profit in liner and offshore segment. During the year SCI has reversed the deferred tax liability on shifting of base year of indexation from year 1981 to 2001 as announced in Union Budget 2017 which has resulted in reduction in liability by Rs. 284.27 Cr. The consolidated net profit for the company for Financial Year 2017-18 was Rs. 306.50 crores.

Performance and Financial positions of joint ventures and subsidiary included in Consolidated Financial Statements: **Fig (₹ in lacs)**

Particulars	**ILT 1**	**ILT 2**	**ILT 3**	**ILT 4**	**ICSL**
As on	**31.03.2018**	**31.03.2018**	**31.03.2018**	**31.03.2018**	**31.03.2018**
Total Income	17056	15659	17218	22278	0.21
PAT	7311	5954	848	5450	-0.14
Equity capital	14	14	6	27528	5
Number of equity shares	10,000	10,000	10,000	42448300	50000
EPS (Rs/share)	73110	59540	8480	12.84	-0.27
Dividend	0	0	0	0	0
Net worth	25537	24800	-14713	25006	-5

The Consolidated profits for the year ended 31st March 2018 is increased by Rs 52.75 crores upon consolidation of above joint ventures and subsidiary and on Net worth there is an increase of Rs 136.61 crores.

1.0 Fleet Position during the Year:

During the year under report, there has been an addition of three vessels (Desh Abhimaan, SCI Saraswati and Nanda Devi) and deletion of six vessels (Indira Gandhi, Rajiv Gandhi, SCI Ratna, B.C. Chatterjee, A.K. Azad and Harshavardhana) to SCI's fleet. Thus the overall fleet of SCI stood at 66 vessels of 5.86 million DWT at the end of the year.

DIRECTORS' REPORT

Fleet Profile during the Year

Particulars		As on 1.4.2017		Additions		Deletions		As on 31.3.2018	
		No.	DWT	No.	DWT	No.	DWT	No.	DWT
1.	(a) Crude Oil Tanker	21	3,608,001	1	1,58,710	1	92,687	21	3,674,024
	(b) Product Tankers	14	908,059	-	-	1	45,134	13	862,925
	(c) Gas Carriers	2	35,202	1	53,503	-	-	3	88,705
2.	Bulk Carriers	16	1,068,088	-	-			16	1,068,088
3.	Liner Ships	5	202,413	-	-	2	57,913	3	144,500
4.	Offshore Supply Vessels	10	23,502	1	3,719	1	1,983	10	25,238
5.	Passenger-Cum-Cargo Vessels	1	5,140	-	-	1	5,140	0	0
	Total	69	5,850,405	3	215,932	6	202,857	66	**5,863,480**

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

Vessel Name	Type	Yard Built	DWT
Desh Abhimaan	Suezmax Tanker	2007	158,710
SCI Saraswati	MPSV	2017	3,719
Nanda Devi	VLGC	2001	53,503

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

Vessel Name	Type	Year Built	DWT
Indira Gandhi	Container vessel	1993	28,948
Rajiv Gandhi	Container vessel	1994	28,965
SCI Ratna *	AHTSV	2011	1,983
Bankimchandra Chatterjee	Product Tanker	1994	45,134
Abul Kalam Azad	Crude Oil Tanker	1999	92,687
Harshavardhana	Passenger-cum-cargo carrier	1974	5,140

* - SCI Ratna capsized on 21.11.2017

2.2 At the end of the year 2017-18, the Company did not have any new build vessels.

2.3 Particulars of Loans, Guarantees and investments

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

2.4 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, 2018 is appended to the Directors' Report. The extract of Annual Return is available at http://www.shipindia.com/investor-relations/Notice_shareholders.aspx

2.5 Subsidiaries and Associates

Your company has one subsidiary Company and has six Joint Ventures. Pursuant to section 129(3) of the Companies Act, 2013, a statement containing salient features of our subsidiary and associate 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.

2.6 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 31 under 'Notes to Financial statements'

2.7 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.

2.8 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.

2.9 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.

3.0 Foreign exchange earnings and outgo

(₹ in crores)

Particulars	2017-18	2016-17
Foreign exchange earned & saved including deemed earned & saved	3459.77	3555.76
Foreign exchange used including deemed used	3767.53	3675.89

3.1 Expenses on entertainment, foreign tours etc – FY 2017-18

During the year under report, your Company spent Rs.21 lakhs on entertainment, Rs.97 lakhs on publicity & advertisements and Rs.269 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 3.8% in 2017, compared to the economic expansion of about 3.1% in the previous year. Emerging European economies also contributed positively to the growth, having shown considerable upward momentum. An accommodative financial policy was also adopted by other developed countries; some due to positive global signals, others owing to cyclic periods of relaxation in their financial policies. It is estimated that the developed market growth rose from 1.6% in 2016 to 2.2% in 2017 while the emerging market growth rose from 3.8% to 4.6% in 2017. The growth in volume of global trade in goods and services during 2017 exceeded the growth rate of world GDP for the first time since 2014. This year commodity prices upturn has lent a helping hand to the commodity-exporting economies (For ex. Brazil, Russia, Angola, Equador, Nigeria) which were severely hampered by commodity prices downturn in 2015-16.

For the next two years, the global GDP growth is forecasted to be comparatively stronger (3.9%), owing to positive global indications. This may lead to an investment-friendly environment & give traction to capital investments around the globe. Expansionary fiscal policy of US along with similar policies of other developed countries is also expected to generate stronger momentum & healthy sentiments. China, the world's second largest economy will be critical to global supply and demand and signs of higher GDP growth in 2017 at 6.9% over 6.7% in 2016 is a positive indicator. The One Belt One Road initiative will extend China's influence westward and add to the infrastructure along with it. The possibility of US trade war with China starting with steel, aluminum, solar panels and white goods may to an extent upset the process, unless an early resolution is reached. After these two years i.e. 2019 onwards, the prospects seem to be slightly subdued due to eventual cyclical tightening of financial policies by advanced economies & pressure on export-intensive economies due to rising inflation levels.

ii) Global GDP

According to IMF, Global Trade Volume growth (goods & services) has been 4.9% in 2017 and is expected to be up to around 5.1% in 2018. Developed countries having large exports have performed quite well through the year & contributed strongly to the rise in trade volumes. This rebounding of trade in advanced economies came as a positive. In the recent years it is observed that advanced countries have been gradually recovering from the aftermath of economic crises in the recent past. The expected output levels are mainly being attributed to policy relaxations creating favorable market sentiments. Intensely conservative tax reforms by the incumbent US government are supposed to drive up the country's output numbers.

In the EMDE (Emerging Markets & Developing Economies) area, the growth in trade volume during the year 2017 was 6.4% in imports & 6.4% in exports as well. Sharp recovery in commodity prices acted as a catalyst for the rebound in many EMDE economies. Some countries which particularly benefitted from this development are commodity-export oriented economies like Brazil, Russia, Angola, Equador & Nigeria. A facilitative environment for exports meant China's numbers also surged up, showing impressive growth figures. This jump in export growth led to return of the investments (especially capital investments) & rise in trade volumes of the developing countries. Overall, the world's total trade volume is expected to go up by 5% or so in 2018.

IMF's World Economic Outlook states that global trade volume will expand by 5.1% in 2018 and marginally slow down thereafter to 4.7% in 2019, as against 4.9% in 2017. The economy (GDP) of developed nations is expected to grow by 2.5% in 2018 and 2.2% in 2019. Whereas, the report forecasts that economies of Emerging Markets & Developing Countries will grow by 4.9% and 5.1% in 2018 and 2019 respectively, as against the growth of 4.8% in 2017. Going forward, strong organic demand and accompanying domestic as well as international trade will be the key growth driver for the EMDE countries.

The global GDP growth and corresponding economic activity directly represents the international trade (export and imports) and in turn provides useful pointers to the shipping industry as about 80% of the international trade by volume is carried out by shipping.

iii) Seaborne Trade, Fleet & Market

Globally, the seaborne oil trade (i.e. 'Crude Oil' and 'Products' segments) exhibited a growth of 3.49% in 2017 as compared to 4.17% growth in 2016. Within the seaborne oil trade development, the 'Crude oil' trade increased by 4.06% with total figure at 2,125 million tonnes in 2017,whereas, 'Products' trade was at 898 million tonnes in 2017, increasing by 2.16%. The crude & product tanker fleets expanded by 4.24% & 5.17% respectively in 2017 (when calculated by gross dwt.), as compared to figures of 6.48% & 6.16% during the previous year. The downward trend in tanker charter rates is expected to continue further because of oversupply of tonnage and efforts by OPEC and other oil producing countries to limit production in order to get better price for crude. Hence, the overall outlook on tanker markets in large part of 2018 is projected to be quite bearish.

The dry bulk trade showed moderate growth of 2.53% in volume over the course of the year 2017 and the freight forecasts are quite positive due to continual slowdown in fleet growth. In view of these developments, Drewry has revised its forecasts to higher freight levels & has opined that dry bulk markets will grow steadily, citing the driving factors as decreasing tonnage supply & increase in tonne-mile demand owing to wider sourcing of iron ore and coal. The total dry bulk fleet growth rate was about 4.75% in 2017, significantly up from -0.08% (fleet shrinkage) in 2016. The shrinking supply of tonnage bodes well for the market and charter rates are likely to see moderate upturn in short term & medium term, provided cargo growth is maintained.

iv) Indian Scenario

As per Central Statistics Office (CSO), Indian economy grew by a moderate 6.7 % (estimated) in FY 2017-18, as compared to the growth rate of 7.1% in 2016-17. The growth numbers have exhibited a downslide due to the strain caused by multitude of long-term structural economic changes taken up. A substantial increase in the oil prices has also been another factor which has put significant strain on import bill of the country. On the other hand there have been no major factors rendering an upwards swing in the GDP, thereby causing the growth to slip up. As per IMF Economic Outlook, India's GDP growth has fallen marginally below China for this year 2017, thereby losing India's GDP growth lead for consecutive years over China. The agriculture/farming sector exhibited a subdued annual GVA (Gross Value Added) growth of 3.4% in 2017-18, while the sector had registered 6.3% GVA expansion in the earlier period. The power and utility sectors also posted GVA growth at an annual rate of 7.2% in 2017-18 as compared with 9.2% growth rate in the previous year 2016-17.

According to sources from Ministry of Commerce, India's exports in value terms has increased by 12.06% to US$ 303.38 billion in 2017-18, while imports surged up with a spike of 21.13% to US$ 465.58 billion. As per Indian Port Association (IPA) statistics, the quantum of Cargo Traffic at India's 13 major ports rose by 4.77% during 2017-18 i.e. cargo traffic rose from around 648.40 million tons in 2016-17 to 679.37 million tons in the corresponding period a year later. Looking at commodity-wise breakdown of cargo traffic, the largest commodity group in the total traffic was P.O.L.(Petroleum, Oil & Lubricants) with around 33.74% share, followed by Container traffic at 19.7%, Thermal & Steam Coal at 13.72%, 'Other Misc. Cargo' (12.09%), Coking & Other Coal (7.60%), Iron Ore & Pellets (6.72%), Other Liquid (4.15%), finished Fertilizer (1.17%) and FRM (1.11%) respectively. This improvement of performance is the result of many measures initiated by the Ministry of Shipping to improve the performance of the ports. These include mechanization of the terminals, focus on improving the TAT (turn-around time), introduction of new processes & practices for quick evacuation of cargo, thrust on coastal transportation, expansion of infrastructure and skill development of employees. Similarly, the existing non-major ports, especially private ports, continue to grow due to factors such as a diversified cargo portfolio, superior operating efficiency and contemporary infrastructure and the presence of captive cargo streams.

v) Strengths

Years of experience in Shipping together with diversified fleet across all major segments gives SCI a unique ability to exploit demand growth in any given segment with a quick-mover advantage. New acquisitions have brought down average age from 18 years in 2007 to about 10.2 years presently (excluding the 2 LPG Tankers of 26 years each). Longstanding COA relationships with major Indian Oil Refineries offer cargo security and employment assurance for major part of the tanker fleet.

vi) Outlook

The prospects for global economy point to a reasonable growth at about 3.9% in 2018-19. The global overall oil demand is expected to be sluggish in the coming 2 years with a clear shift towards renewable energy in the developed world. This era of low demand growth is supposed to bring new challenges to the tanker owners. The recovery prospects of an already stressed market are further marred by slow growth of oil demand. There are many factors putting pressure on ton-mile oil demand, such as increase in the refinery capacity especially within Middle East & Asian regions, crude pipelines from Russia to Chinese refinery zones, persistent overcapacity. Hence tanker freight markets are forecasted to continue on their downward path at least till 2019. Some scenarios such as increase in US crude oil export could provide much needed support to the market, by offering the possibility of long haul voyages, provided adequate evacuation infrastructure is in place. Another factor which would support the tanker markets is the encouraging pace of demolitions/scrapings of 15 years plus tonnage due to sulphur emission and ballast water treatment regulation, which would diffuse the oversupply to some extent. Middle East & Asia will account for a combined 78% in the global refinery capacity rise (Middle East 48% & Asia 30%). Asian refineries are predicted to curb product tanker demand. Overall the tanker markets are forecasted to be bearish during the next 1.5 - 2 years with freight levels sliding further downwards.

In the dry bulk market, things are looking optimistic & freight rates are continually exhibiting upwards trend. Drewry has also upwardly revised their forecast for 2018 & 2019. Healthy growth in dry bulk demand, complemented by gradual downsizing in supply has rendered a favourable market situation in the dry bulk trade. Charter rate forecasts for the first two quarters of 2018 are quite optimistic & are above the corresponding figures in 2017. The rising demand for high-grade iron ore in China instead of domestically produced iron ore is expected to raise tonne-mile demand, whereas, significant increase in the seaborne trades of bauxite & grain trade is projected to generate firm demand for dry bulk carriers. The controlled tonnage supply, along with increased possibility of demolitions due to IMO regulations would further enhance the supply-demand balance, leading to an owner-favourable market scenario.

The impending IMO 2020 regulations on Ballast Water Management & usage of Low Sulphur Bunkers could play a key part in both tankers & bulk carrier fleets, due to possible demolitions. However the actual impact of these regulations will depend upon the framework & strictness adopted by IMO in implementing these regulations & its acceptance & adherence within the shipping community.

vii) Opportunities

The global GDP is expected to grow at 3.9% in 2018. This however, is dependent on the two largest economies, US and China followed by emerging economies such as India, Russia, Brazil. US economy is expected to grow by 2.9% in 2018, up from 2.3% growth achieved in the year 2017. A wholesome rise in the refinery capacities of Middle East as well as Asia regions will offer a new dynamic in both crude & product tanker markets. Strategically placed vessels in these regions will be primed to take advantage of this shifting dynamic. The Chinese GDP growth is expected to be 6.6% in 2018, marginally lower than the 6.9% growth exhibited in 2017, on the backdrop of cyclical gradual slowdown. The Indian GDP growth is again predicted to surge ahead of China in the year 2018. The Asia region (Emerging & Developing Asia) is expected to grow by 6.5% in 2018, on par with the level of 6.5% growth in 2017, with India poised to grow at 7.4%. The Euro economy is expected to show a reasonable growth of 2.4% in 2018, with growth coming in primarily from the recovering Euro economies & stronger domestic demand. The Japanese economy is expected to grow at a modest rate of about 1% in 2018.

viii) Risks & Concerns

The return of cyclical monetary policy tightening, adverse impact of aging population & reduced productivity on GDPs of European countries, the near-constant inflation hampering growth figures, more conservative & tight financial policies especially by advanced nations, ongoing cyclical recovery in Europe & timid growth in crude oil demand remain the major macro risks. Also, the possibility of eruption of geopolitical tensions within various regions may bog down the economic activity & as such present a significant risk. The recent US decision to re-impose sanctions on Iran will marginally disrupt the oil trade requiring the other producers to fill in the gap in oil production and may also result in increased crude oil prices. Saber rattling on protectionist trade and imposition of duties by large economies would curb trade growth. More recently, the high tariffs by the US on its Chinese imports & subsequent retaliatory steps initiated by China may hamper a lot of the dry bulk trade. The already rising crude oil prices have strained the economies of oil importing countries in both Africa & Asia who in turn may be forced to cut subsidies and this may consequently hurt overall demand. In South America, Venezuela remains in deep economic & political crisis, as its GDP is expected to contract by a staggering 15.0% in 2018 & further 6% in 2019. In Africa, frequent port outages & resurgence of Piracy on the Nigeria region is a major cause for concern. The crude tanker freight rates are also expected to remain at depressed levels during 2018-19.

Similarly in the dry bulk segment, although the freight levels are on the upside the oversupply has not completely vanished yet. There is always a possibility of localized oversupply situation in some regular trade routes and continued occurrence of local volatility is liable to affect the rates. Additionally, the declining cost of renewable energy & its growing acceptance & compatibility remains a concern for the traditional coal importers. In India, Coal India, which is the major coal producer, continues to increase its domestic production and this thrust to reduce coal imports might adversely affect the seaborne coal trade to India.

B. SEGMENT-WISE FLEET & MARKET STUDY

1.1 BULK CARRIERS & TANKERS

a) Crude Oil & Product Tankers

In the year 2017 the global consumption of Crude Oil registered a marginal increase of 1.55% to 97.81 mbpd (million barrels per day) over the previous year. It is anticipated that the oil demand growth will decline slightly over the course of next 4-5 years. Sluggish forecasts for oil demand growth could primarily be attributed to following factors: (i) rising crude oil prices, (ii) upcoming paradigm shift in China about diversifying their economy & shifting the focus away from an oil-intensive, heavy manufacturing, export-driven economy, (iii) rising presence of electric vehicles (EVs) & overall movement towards cleaner fuels etc. In India's case, the Indian government has announced plans for shifting from oil based vehicles to EVs. The Indian crude oil demand has been fairly constant over the year 2017, languishing around 4 mbpd levels. The oil demand of the country is likely to grow as the recovery from the recent structural reforms gathers pace but crude oil price increase could be a dampener. While OECD oil demand/consumption is expected to be more or less on the same levels as that of previous year, China & Asia's demand is expected to grow at a good pace.

US domestic crude output is likely to increase by about 1 mbpd, a rise of strong 11.36% over the year. For US, the surging oil prices, combined with supply problems of its neighbouring producers Venezuela, will motivate it to keep its production at high levels. Meanwhile, OPEC countries & Russia-led OECD members have extended the production cuts till 2018 year-end. Both these phenomena combined should increase the exports from US, which would boost the tonne-mile demand. There were deliveries of 26.3 million dwt of Crude oil tanker tonnage and 10.2 million dwt of Products tanker tonnage in 2017. Further down the line, the expected deliveries of Crude oil tankers are 19.8 million dwt and 19.2 million dwt in 2018 and 2019 respectively. For Product tankers, the respective figures are 8.0 million dwt and 6.6 million dwt each. New building prices for tankers went further down in 2017, falling by about 7%, due to falling markets sending negative sentiments thereby hampering ordering activity. In tonne-mile terms, the crude oil trade increased by 5.67% in 2017 as compared to the previous year, while products trade decreased by 1.16% in the same period.

The lack of demand for VLCCs in the AG & Latin America regions is bound to worsen the freight rates. Also, higher crude prices & consequent inventory drawdown by refiners is likely to have adverse effect on freight rates on both crude & product freight markets. The average spot rate of TD3 route of AG/East for VLCC was US$ 22,600/day in 2017. The future market in this segment seems to be very volatile, with rates in the range of US$ 14,500-24,500/day, hugely impacted by the oversupply of vessels & decline in cargoes. One Year TC rate for VLCC was about US$ 27,200/day in 2017, with some fixtures done at higher levels during the latter part of the year. The Suezmax rate on West Africa – North West Europe (TD20) route was about US$ 12,100/day in 2017 which is expected to significantly decrease by about 33.98% year over year. For Aframax, the spot rate on AG/Far East route (TD8) was US$7,000/day. These freight levels are very low and they are forecasted to remain low as there is still no upside on the horizon over the next 2 years. For Product tankers, LR1 Spot rate on AG/East was US$ 8,600/day in 2017 and expected to exhibit depressed levels in 2018 & 2019. One year TC rate for LR1 was US$ 11,700/day, which is almost on par or slightly lesser than operating costs. In MR tankers, on US Gulf/NWE route the spot rate was as low as US$ 2,800/day in 2017. One Year TC rate for MR tankers was US$ 12,400/day in 2017 and is expected to be around US$ 12,600/day over the next year.

Your company has five VLCCs & all were operational during the year 2017-18. They were mainly employed on a mix of Time charter with Indian Oil Corporation & Voyage Charters with Indian as well as foreign charterers. The time charters earned reasonable returns, while spot trades faced the wrath of markets due to highly depressed markets. Your Suezmax tankers were mainly deployed with the Indian oil industry and performed COA voyages under HPCL & BPCL COAs, except occasionally performing spot voyages for Indian and foreign charterers. Older Suezmax vessels however, had lesser employment days due to performance issues & problems in port acceptances. The COA earnings are based on AFRA & TD8, which has been moderate to low. The time charter rates compare well with market benchmarks.

Five LR-I tankers of the Swarna series were employed on Indian coast, catering to coastal crude movement of the Indian oil industry. They also had a few other kinds of employment such as lighterage operations, FPSO loadings etc. Their earnings compare well with market levels. Another LR-I tanker MT Swarna Kaveri was used as a CPP tanker for Product cargoes, mainly in the AG to Indian coast & 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 & 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 as well as Foreign charterers and their earnings are comparable with the market. MT Swarna Mala was deployed with foreign charterers for long periods during the financial year. MT Swarna Kalash was deployed along Indian coast, employed in a mix of time & voyage charters in coastal product movements. Meanwhile, MT Swarna Pushp was employed with a pool in the 1st half of year & was brought to Indian coast to participate in the Indian coastal movements of clean products.

The two LR-II tankers MT Swarna Jayanti and MT Swarna Kamal were employed with foreign charterers in a mix of pools & voyage charters. Their returns were stable and in line with available markets.

Earnings of your coiled Aframax tankers were in line with markets, along with the average of benchmark yields under AFRA / TD8 (Arabian Gulf to Singapore) and TD14 (Indo-Australia) routes on the back of COA voyages under TD8 pricing formula and triangulation spot 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

Tanker trade is currently undergoing a paradigm shift. OPEC's decision to continue the production cuts till end of 2018, upcoming big increases in the refinery capacities of Middle East and Asia, US decision to re-impose sanctions on Iran and rise in US exports due to increased oil prices are some of the major factors which will have adverse impact on tanker markets. The ship-owners who position the ships in prospective basins will stand to reap benefits of positional advantage.

The looming era of low crude oil demand growth presents a challenge as well as an opportunity. The tonnage demand is forecasted to be low for large crude oil tankers, however the bulging capacity rises in the Middle East & Asian refinery capacities may present demand spike for product tanker tonnage. Since, Asia & especially China are growth drivers for the product oil demand, trade routes of MEG-SEA, AG-Far East may get lot of employment, especially for Clean MR & LR-I tankers.

In Indian context, the country's economy has recovered from the last few sluggish quarters and recorded higher growth in the fourth quarter 2017-18.The increased tax collection owing to structural reforms & tax system overhaul (GST) is also expected to increase government spending. On similar lines, policies implemented by the government to encourage the manufacturing industry under 'Make In India' will generate significant demand. India's crude oil imports hovered to reasonable levels around 4.3 million barrels per day in the January – October 2017 period. Post October the imports spiked to almost 4.6 mbpd & are likely to increase further in 2018. Indian tanker tonnage will have opportunities to grab such import cargoes though at prevailing subdued market rates.

The US crude oil imports are set to remain low, and the Asian demand for the same is expected to increase, banking on strong GDP performances by the corresponding economies & rising refinery throughputs. Net global crude trade flow is expected to shift eastwards, with Asian appetite being the key driver.

With its diversified tanker fleet & especially a modern clean tanker fleet, your company's vessels stand to secure employment and the company is well-equipped to withstand contingent market pressures.

ii) Risks and Concerns

The growth in global oil trade is expected to be slow in the coming years. The global oil trade (both crude & products) is expected to grow by a meagre 1.89% in the year 2018. This is set to hurt the tanker demand in already depressed markets. Although the crude tanker fleet is expected to grow moderately by 2.76% in 2018, there is still a lot of supply overhang & this combined with low demand growth, may hold the overcapacity situation in the markets & reduce freight levels.

In products trade, the impact of increasing oil prices globally may deter buyers & thereby restrict free movements of product cargoes. The other impact of increased oil prices is the falling inventory levels & deterrence to building inventory levels. This may pose challenges to the product tanker demand. China has added additional refinery capacity, which is set to effect the product trade in the region. Apart from this there are no major factors directly affecting the demand but unfortunately the supply overhang persists in the product segment also. Thus freight markets are expected to soften over the course of next years. Prolonged depressed earning may be a cause of concern.

b) Dry Bulk

The benchmark Baltic Dry Index (BDI) rose to an average of 1204 in 2017-18 against an average of 820 in 2016-17 registering a staggering 46.83% increase, reaching its highest average monthly value in December 2017.

When compared to 2017, dry bulk trade is set to exhibit a trade growth of 2.28% in 2018, with tonne-mile demand growing by an estimated 3.27%. The dry bulk global trade is expected to grow on an average of 2 - 2.10% for subsequent 3 years.

Dry bulk markets are exhibiting optimistic signs. The steady improvement in tonnage demand growth is accompanied by gradual contraction in supply. The dry bulk freight rates have shown promising increases year-on-year in 2017 when compared with the rates in 2016. The dry bulk commodity trade is expected to grow handsomely for the next 5 years. China's demand for high-grade iron ore & bauxite is set to increase in the coming year. Since indigenously produced iron in China is not of sufficiently high grade, the country's imports of iron are set to rise, giving boost to tonne-mile demand in the region. The probability of demolitions of some older tonnage on account of looming IMO's Ballast Water Management System & revised Sox emission guidelines, may further improve the demand-supply balance, lending a supporting hand to the rates.

The dry bulk fleet grew by 4.75% in the year 2017. However, considering the fleet shrinkage during 2016, the controlled fleet supply bodes well for the dry bulk market as the oversupply situation is likely to diffuse. The dry bulk market has been underperforming every year for the past several years. Naturally this has put a strain on new building orders over the years & resultantly the fleet growth has been low to moderate at best.

The total dry bulk cargo demand is expected to be on growing track for the next few years. The dry bulk seaborne trade is expected to grow by 2.28% in 2018, while the tonne-mile demand is expected to register a growth of 3.36%.

India's iron ore exports rebounded to 32.8 mmt in 2017 as compared to 21.4 mmt exported in 2016. Global seaborne iron ore trade continues to show a healthy growth of 2.77% (forecasted) in 2018. With regard to Thermal Coal, India's imports are predicted to remain constant, from the levels of 147.5 million tons in 2017 to a forecast of around 145.3 million tons for 2018.

India's urea imports rose by 9.01% to 5.97 million tons last fiscal on the basis of revived 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 5.97 million mt of urea in fiscal 2017-2018. Out of this, 2.51 million mt came from Oman and 2.034 million mt came from Iran. Urea movements into India, which is a key cargo for dry bulk vessels and is part of minor dry bulk commodities, has for the last few years been a "supporting trade" for bulkers ranging from Handysize to Panamax.

Grain trade provided a positive boost to dry segment during the FY 17-18. Seaborne trade (imports) of major grains grew by 4.59% in the year 2017, with major exporters being USA, Australia, Canada, Argentina & European Union. On demand side, encouraging trends are there such as growing population, increasing demand from Asian & African countries & overall global economy performing well.

Global steel production is projected to increase by 1.59% in 2018 with increased production from China, India & other countries. The causes of this growth in steel production are overall increase in industrial activity, rise in Global GDP & rise in steel-intensive sectors such as construction & automobiles. India's steel production is expected to grow at the fastest rate among major steel producers. This is likely because of increased economic activity due to a recovering economy & increased government spending on infrastructure.

So far, in this year 2018, 22 dry bulk ships are sold for demolition as against 218 dry bulkers for the last entire year. 67 Supramax bulkers were scrapped in 2017. Such high scrapping numbers is an encouraging sign for future dry bulk market.

In the year 2018, One-year Time Charter rate of Handymax is projected to be US$ 12,800/- pdpr, whereas for Supramaxes the same is US$ 14,000/- pdpr. In the Panamax segment, the one-year TC rate in 2018 is forecasted to be US$ 15,000/- pdpr. In the upcoming years, the freight rate estimates exhibit an upward trend, with market forecasts showing handsome increases year-on-year.

The company's dry bulk fleet now comprises of one Handymax, eight modern Supramax vessels of around 57,000 dwt each & seven modern Panamax / Kamsarmax dry carriers of around 80-82,000 dwt as on 31st March, 2018.The bulk carriers fleet is very young with an average age of about 6.9 years. The earnings of our dry bulk fleet were in line with markets. Our dry bulk carriers were also employed on Indian coast with a few coastal time charters & voyage charters, whose earnings compare well with markets. 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

Dry bulk market is looking optimistic at least in the near future. Drewry has revised its estimates upwards, which is clearly an indication of an upward trend. China has been a major driver for the dry bulk trade and the rising Chinese demand for iron ore & bauxite presents a good opportunity for dry bulk tonnage. The high-grade iron ore required by China & other rising Asian powers will be procured majorly from Brazil & Australia. This trade will give a good boost to tonne-mile demand & smart positioning of vessels will be key in tapping these routes.

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

India has launched many schemes such as 'Saubhagya Yojna', which plan to electrify all the Indian households. Such ambitious plans for domestic electricity, along with focus on creation Industrial infrastructure, is expected to generate a significant demand for electricity. Government has also proposed other projects like 'Bharatmala' which plan to create a unprecedented road network in India by constructing roads spanning thousands of kilometers. The coal, steel & cement needed to implement these schemes will see a high demand growth. This elevated demand will contribute to increased demand for dry bulk tonnage, both for coastal movements as well as for imports.

Shrinking fleet profiles due to a high number of scrapings/demolitions (on account of various reasons like – reduced profitability, lack of sustaining capacity, costly overhauls required to comply to IMO regulations etc.) may create tonnage vacuums across the markets & dry bulkers in respective trades may take advantage of the same.

ii) Risks & Concerns

Advent of renewable energy-centric policies & use of renewable energy sources as a means of mass-scale production poses a significant threat to the dry bulk trade. Many countries are shifting focus from traditional sources of energy to renewable sources & are actively taking strategic initiatives for the same. This will not only reduce the demand for shipping of traditional sources of energy like coal & oil, but bring their prices down which will make shipping costs unviable.

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

In parallel, the traditional coal trade is also showing signs of nervousness. Both India & China, the top importers of coal worldwide, are introducing policies to reduce the dependence on imported coal. Although China's coal imports are forecasted to remain high in 2018 since the country is putting a stop to its unproductive coal mines & will prefer to import the coal instead, the medium term and long term future of the thermal coal trade is not very encouraging. Along with many other countries globally, India is also shifting focus towards renewable energy. Indian government has publicly stated its plan on cutting dependency on coal. As such the long term future of traditional thermal coal shipping appears bleak.

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

SCI's presence in Panamaxes is catering to transportation of three major commodities such as Iron ore, coal and grain, which are prone to be affected by economy slowdowns. View slowdown in these major trades globally the earnings of Panamaxes may suffer.

The absence of long-standing COAs & similar assured business opportunities stand to make your company's dry bulk trade volatile & open for adverse impacts by the market forces. One more aspect that may turn charter rates volatile is sluggishness by the other owners in the scrapping/demolitions of the vessels, on account of temporary spikes in rates, leading to recurrence of overcapacity situation in the market.

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

c) LNG Transportation

The global demand for gas is expected to grow at an average of 2 percent per year until 2035, which would make gas the fastest-growing source of energy over the period. The surge in demand will be driven by environmental measures in China, South Korea & India, rising power generation in Southeast Asia and reduction in the domestic production in Europe.

India plans to double the share of natural gas in its energy mix from 6.5% now to 15% by 2025, but this will require construction of LNG receiving terminals for increased imports. India presently imports around 20 mtpa through 4 LNG receiving terminals, but within a decade there are plans to build another 11 terminals to raise India's LNG import capacity to more than 70 mtpa. New terminals are planned at Mangalore, Mundra, Pipapav, Ennore, Haldia and capacity additions at Hazira and Dahej. The Government is intent upon reducing carbon emissions and is encouraging Indian railway companies, LNG importers to look at fuelling trains by LNG instead of diesel. India also wants to become a hub for supplying ships that run on LNG, with plans to build more facilities like the LNG fuelling station at Kochi port.

With LNG being encouraged as green fuel for future, the LNG market has been seeing a steady growth over the years. Owing to the high demand and potential for LNG, the LNG shipyards enjoyed increased order books. However with the LNG production not increasing in line with demand, a situation of over-supply of the LNG vessels was witnessed, leading to lower charter hire rates. The global LNG fleet as on

March 2018 consists of 522 ships. With increased competition and ever changing market dynamics in the LNG segment, there is a shift in the charter trends to short term contracts. The high capital investment involved in the construction of the loading and discharge terminals on land, is leading the LNG market players to simultaneously look at alternate options such as Floating Storage Regasification Units (FSRUs), Small LNG carriers for coastal LNG shipping, Floating Liquefied Natural Gas (FLNG) carriers etc.

Your company jointly owns and operates 3 LNG carriers under long term charters with charterers Petronet LNG Limited, India for transportation of LNG predominantly from Qatar. The 4th LNG carrier is under long term charter to Exxon Mobil LNG Services B.V, Netherlands. In order to ensure its presence in the new areas of the LNG market, your company is exploring opportunities for participation by ownership and in operations of FSRU, small LNG carriers and coastal LNG shipping.

SCI and GAIL had signed a Memorandum of Understanding for cooperation in transportation of 5.8 MMTPA LNG sourced by GAIL from U.S. terminals. In line with the objectives under the MOU, SCI has been awarded two contracts, one for assisting GAIL in In-Chartering of LNG ships and the other for Post-fixture Management services to GAIL for their In-chartered vessels which will be carrying LNG from USA to India. The initial contract is for a period of three years effective from 2018. 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 LNG officers and the experience of independent technical operation of LNG tankers has helped to provide ship management services. Your company is jointly working with one of its Japanese partners, and will start training its LNG officers on construction and operations of FSRU from 2018.

d) RGPPL Terminal Management

Your company has successfully performed the Port and Marine Services Contract at the RGPPL Dabhol Terminal for further 3 years i.e. 2015 – 2018. The SCI team successfully handled 53 LNG tanker calls at the Dabhol LNG receiving terminal and the total imported LNG under the contract stands at 7.36 million cbm. The contract is due for renewal and expected to be awarded to SCI.

e) LPG Carriers

Given the continued demand for LPG, your company has acquired second hand VLGC named Nandadevi in September 2017 to ensure SCI's continued presence in the LPG segment. Your company is in the process of phasing out the other two older and smaller LPG carriers and replacing them with larger capacity vessels.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the tanker segment has been largely influenced by low earnings on the VLCC, Suezmax and Aframax segments where SCI has had a mix of cross trade charters, market linked Contract of Affreightments and Time charter businesses to effectively hedge employment and earnings risks. On the smaller segment product carriers and LR I dirty carriers; the employment was mainly to meet the domestic product and indigenous crude movements on long term contracts and time charter business. The mix of employment types and geographical concentration in niche coastal business segments has ensured returns in line with market trends. However, with globally weak tanker markets, there was strong competition in product trades which hampered their earnings to some extent. Internationally, the sharp fall in market fortunes across all segments resulted in very low freight rates, due to which the tankers segment gave a very subdued performance.

The dry bulk segment is still recovering from historically bad period and loss of key cargoes such as Iron ore from India resulting in non-profitable ballast voyage legs thereby reducing earnings. Although some relief was offered by coal cargoes & minor bulks, earnings remained subdued and below the breakeven levels due to low freight markets. Few profitable trades emerged during the year where dry bulk charter rates went into profitable levels, but this bliss was short-lived & the markets stabilized to their normal levels. In the early parts of 2018, continuous flow of coals & iron ore cargoes from Indian companies helped to assure reasonable alternate employment options.

2 LINER & PASSENGER SERVICES

A Industry Structure & Developments

i) World Scenario

The liner shipping industry is encountering myriad of major issues including burgeoning overcapacity, influx of mega ships and its cascading effect, infrastructure insufficiency, competing modes of transport, cost inflationary regulations, reluctance of investors & financiers and many more. Such factors have given rise to an unprecedented imbalance between supply and demand in the industry. On the other hand, certain key developments viz. consolidation, mergers & acquisitions, shipping alliances, accelerated ship demolition, and technological developments viz. smart / eco ships etc. are at play to restore the balance in the marketplace in the coming years.

The maritime world witnessed an eventful 2016 and proved to be the most challenging period of a six-year long slump the liner shipping industry has fallen into. Liner freight rates dipped to historical lows in 1st Half of 2016 and liner operating losses piled up by year end. Last year saw a spate of consolidation in the industry, as several carriers sought safety in numbers. The year was full of surprises, which saw the collapse of giants like Hanjin Shipping in the liner industry, to unprecedented consolidation among other operators led by the merger of NYK, MOL& K Line to ONE, Hapag-Lloyd and UASC, COSCO Shipping and OOCL to name a few. Along expected lines, the formidable amount of overcapacity that was built up not only deteriorated the marketplace completely, but also led an unprecedented number of vessels being sent to the ship breaking yards. The slowdown of global economic growth also worsened the conditions for liner shipping, weakening the revenue streams & capacity utilisation and eventually leading the global liner industry incurring a collective loss of US$ 3billion.

DIRECTORS' REPORT

The year 2017 began with a slow recovery in the markets bringing some improvement to freight rates in the main trade lanes. Global container traffic grew by more than 5% in 2017. Container traffic in North America and Europe grew by 3% and 3.9% respectively in 2017. The tide is turning in Latin America, particularly in Brazil that was in doldrums until the third quarter of 2016. The positive demand global outlook had its impact on the box traffic in India. However, trends indicate that the road to the heights of prosperity in liner business is a long and bumpy one with geopolitical tensions and trade protectionism remaining the biggest threat for economic and, particularly, for trade growth. Bilateral trade disputes and national frictions can easily proliferate and exert a global impact given today's interconnectivity of the world economy, thus derailing the global economic recovery.

Indian Scenario

As per Indian container market trends over the last few years, installed capacities and handled volumes have been growing proportionately showing a positive sign for the industry apart from achieving best capacity utilization levels. Govt. of India has announced a massive investment in India's ports and roads sector, which is likely to help boost the country's economy. The Indian Government plans to develop 10 coastal economic regions as part of plans to revive the country's Sagarmala (string of ports) project. The zones would be converted into manufacturing hubs, supported by port modernization projects, and could span 300–500 km of the coastline. The government is also looking to develop the inland waterway sector as an alternative to road and rail routes to transport goods to the nation's ports and hopes to attract private investment in the sector. This is expected to boost the coastal shipping and SCI is an active partner in the above projects of GOI.

Strength & Weaknesses

The vast experience in the Liner trade, accumulated over last several decades, is the foremost and most formidable force which instills confidence in the cargo interests / owners who lend their invaluable support to SCI. The customer friendly approach at all the levels and SCI's customized services puts SCI ahead in the league. The wide network of the agents all across the world, provides and facilitates for localized contacts in markets to offer customized logistics solutions. Operating partnerships have been forged with internationally recognized container carriers in select consortia, to enhance coverage and frequency on the major trading routes. SCI is a licensed MTO in India and also has International Freight Forwarding License. Break-bulk operations are largely profitable and passenger services provided by SCI provide stable source of revenue, not to mention the vital link that supports the islander's to the mainland. Efforts are on to expand the India-centric focus to garner the benefits of economies of scale.

iv) Opportunities & Threats

The liner market is poised to witness significant improvement in operating profitability in the future despite the continuous influx of mega-ship new-buildings, underpinned by market sentiments of a reviving global economy and upbeat economic forecasts. New operating alliances are expected to contribute by allowing global carriers to further synergize network efficiencies and vessel deployment optimization bringing about higher savings. Improving economic conditions in the US and 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 maintain 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 GOI 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 31.03.2017		Addition		Scrapping		As on 31.03.2018	
	No.	Dwt (MT)	No.	Dwt.	No.	Dwt.	No.	Dwt (MT)
Fully Cellular	5	202,413	-	-	2	57,913	3	144,500

Average age of three owned Container vessels is approx. 15 years (one vessel aged about 25 years and two 10 years). As on 31.03.2018, an in-chartered container vessel having total Net Tonnage of 55,203 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 1,800 TEU capacities, 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 viz. 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 round voyage duration 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, with 1 vessel each deployed 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 with round voyage duration 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 m.v. SCI Chennai in this service. This service would end in June'2018 and m.v. SCI Chennai would be deployed in coastal (SMILE) service.

iv) SCI Middle East India Liner Express (SMILE) Service & Pan India Service (PIX2):

SMILE and PIX 2 services seamlessly links up Persian Gulf with East Coast of India and West Coast of India, thereby, strengthening and expanding SCI's presence in the Coastal Shipping Sector. The joint operation on this route will be a force multiplier for SCI which will provide a high quality of Coastal Services on fixed day fixed window basis with potential for even bigger expansion in Coastal and near Coastal trades with special emphasis on the East Coast of India ports. Two services viz. SMILE and PIX2 with their service rotations makes it feasible to connect pan-Indian ports with an improved transit time. SCI seeks to cooperate with other Indian Companies to work out the best transportation solutions for the trading community vis-à-vis commercially, economically viable and environmentally feasible options. SCI connected west coast of India to southern and eastern ports of India viz Katupalli / Krishnapatnam/Vizag/Haldia/Kolkata during 2016-17 and the Pan India service got stabilized during 2017-18, thus, promoting GOI initiative 'Sagarmala' and increased coastal shipping.

v) Feeder Operations

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

vi) Slot swap arrangements:

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

vii) Break-Bulk Services

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

viii) Coastal Operations

Domestic Passenger–Cum–Cargo Service:In addition to International operations, SCI with its one owned Passenger-cum-Cargo vessel and eleven (11) managed vessels operates domestic passenger and cargo transportation services between the Mainland and the Andaman & Nicobar (A&N) group of islands and inter-islands, on behalf of the Government of India. Also, 17 numbers of Foreshore passenger vessels of A&N Administration are technically managed by SCI. Informatively, SCI's owned Passenger cum cargo vessel viz. m.v. Harshavardhana was sold for scrapping on 28.03.2018.

ix) Other Coastal Services

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

3 Manned & 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 31.03.2017			Additions Nos.	Scrap/ Redelivered (Nos.)	As on 31.03.2018		
	Nos.	Pax. Cap.	Cargo Cap. (MT)			Nos.	Pax. Cap.	Cargo Cap. (MT)
Pax-Cum-Cargo Ships	11	7,066	6,200	0	1	10	6,317	5,200
Cargo barge	1		500	0	0	1		500
Other vessels	17 Foreshore & 8 Research	1,599	100	0	0	17 Foreshore & 8 Research	1,599	100
Total	**37**	**8,665**	**6,800**	**0**	**0**	**36**	**7,916**	**5,800**

The pattern of deployment of these vessels is as follows:

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

⇒ Six vessels and One Cargo ship 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) licenses 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

Under the new Foreign Trade Policy (2015 – 2020), India aims to increase its share in the global trade to 3.5% by 2020. Incentives to agricultural exports and extension of the same under Merchandise Exports from India Scheme to units in SEZ are part of the new FTP. This is aimed to integrate with Make in India and Digital India initiatives. Multiple infrastructure projects, eyeing to improve India's logistics efficiency and hinterland connectivity, will boost the country's box trade in the coming years. Some of the key projects that will be a game changer when fully operational is (A) Multi-modal terminal under Jal Marg Vikas project: The 170 crore multi-modal terminal at Varanasi, under the Jal Marg Vikas project that will open before December 2018, will be a major logistics hub connecting North India to North East India. The government will also develop 35 multi-modal logistics parks for freight aggregation and distribution, multi-modal transportation and warehousing. (B) Port based multi-product SEZ at JNPT, first of its kind, a port-based SEZ at JNPT will be developed with Free Trade Warehousing Zone, Engineering Goods sector, Electronics & Hardware sector and Pharma sector. (C) Dedicated Freight Corridor (DFC), DFC will provide logistics support for the Make in India initiative. Two of the three DFCs are scheduled to be operational in the next three years. DFC will reduce the inland transit time significantly. (D) Sagarmala programme, The Indian government is implementing the Sagarmala programme in phases, spanning over 20 years from 2015-2035. Four hundred and fifteen projects have been identified for port modernisation, new port development, port connectivity enhancement and port linked industrialisation. Six new port locations have also been identified for proposed transshipment hubs in the south. The government has approved Rs. 27,000 crore port project at Enayam.

E. Risks & Concerns

There are several trends that may affect transport costs in the coming years. First of all, ship size growth trend that has targeted economies of scale in sea, has practically raised diseconomy in ports. This trend has caused essential need for capacity enhancement in ports, which unfortunately cannot keep pace with the developments of shipping in terms of time. This usually ends with chronic shortage of port capacity in the short term and added costs both in the short and long run. In container shipping, which is the more competitive part of the industry, this trend also exacerbates the need for hub and spoke networks, which involve addition of transshipment costs (and costs of delay in delivery of goods) to overall transport costs in supply chains of regional hinterlands. Some shipping lines are also inclined to adopt monopolistic behavior in markets, which can increase dissatisfaction and resistance of stakeholders in supply chains i.e. government, consumers, tax payers, manufacturers, etc. and motivate them to react to such measures and arrangements which contribute to higher transport prices or more concentration in the industry.

The rise of the protectionism in US, UK and some other developed countries is a matter of grave concern that can affect trade and investment throughout the world. A vast series of disrupting consequences can be perceived in this context that can include re-shoring or near-shoring of industries, significant changes in the trade balance of countries, rescinding of trade treaties, disrupting military conflicts, wars, etc. While the world is still recovering from the global financial credit crisis, the nations as well as international businesses are encountering an increasing number of financial risks. Among the crucial financial concerns, we can point to the financial challenges of Greece as the leading ship owner state in the world. Insolvency of Hanjin shipping in 2016 was an instance of the possible ground breaking financial shocks in the industry and their acute consequences in the global supply chains. There are multitudes of micro-economic level financial risks and concerns that can afflict the industry in the coming years.

F. Discussion on Financial Performance With Respect To Operational Performance

Your Company's liner segment registered a profit of Rs. 79.66 crores in FY 2017-18 as against loss of Rs 95.54 crores in 2016-17. The Operating Income increased from Rs. 445.90 crores in 2016-17 to Rs. 676.38 crores in 2017-18 due to better volumes and better freight levels. Further, your Company was able to reduce losses by adopting various cost saving measures accruing to the liner services viz. considerable saving on feeder and transshipment costs by reducing carrying cargoes to non-base ports, better inventory management, control on repair costs of vessels and containers. Our on time schedule reliability on our services, particularly in Europe sector continues to be very good and comparable or better than the global players.

G. Measures Taken By Us to Improve Our Services & Operations

Liner Division is ensuring General Rate Increases are being strictly implemented keeping in mind the market sentiments and demand-supply gap. Performance of each Container Service is being reviewed monthly from the point of view of profitability. Ultra slow steaming planned / achieved on the container ships. Fuel additives are also being used to save on fuel consumption. Liner division is also looking out for further expanding on the Coastal, Feeder Services and Services to the Indian Sub-continent and the adjacent areas in the Indian Ocean countries. SCI's strategy has been to use all our Indian Flag ships on these routes when Indian Flag commands a premium and to use Foreign Flag vessels on the other routes. The big game plan is to run seamless services between Persian Gulf and Iran to East Coast India – Bangladesh with several port calls in West Coast Indian ports by forming a consortium of Indian operators. Foreign companies dominate in Indian Sub-continent feeder routes and provide seamless connections. By mutual cooperation with the other Indian Companies through slot exchange, it is envisaged that feedering freight would be retained within the country, which would also help in minimizing the working capital requirements for the Division. Further, ports like Kandla and newly emerging container ports in East Coast of India like Kattupalli, Krishnapatnam and Vizag are offering substantial discounts on transshipment costs and storage charges, and by using these ports optimally, substantial system costs reductions are being achieved. The Division is in advance state of negotiations for starting multipurpose services on Indian Coast using heavy lift geared and ramped ships. Our focus is to maintain right sized leased equipment inventory to optimum levels to make services sustainable and undertaking firm negotiations with leasing companies and vendors for achieving desired results. Aging inventory is being replaced by the younger fleet at better terms. We are identifying niche sectors to commence new services, like, feasibility study has been done for intended services viz. Ex-India / Maldives, Ex-India / Myanmar / Bangladesh / Thailand, extending Coastal Services to include Iranian port(s) viz. Chabahar & Bandar Abbas. Other feasibility studies have been conducted for services like Ex-India / East African ports. Liner division has slowed down on new acquisitions for now with ISE / Himalaya Service and is continuing to operate with one in-chartered vessel of about 8,500 TEU capacity. No CAPEX expansion planned this year so far. But option are kept on and Division is scouting for second hand vessel(s) if it fits commercial requirements. Engagement with landside Logistics PSU firms viz. CONCOR, Balmer Lawrie, CWC etc. for offering seamless multi-modal services between Inland locations and ports on the Indian Coasts as well as overseas ports. We have also undertaken feasibility study for setting up owned or jointly operated CFS / ICDs for various viable routes and also freight forwarding operations.

H. Important Developments

a) Induction of higher capacity vessel (m.v. SCI Chennai) in SMILE Service, thereby, increasing the slot allocation & revenue realization.

b) Induction of higher capacity vessel in ISE service to meet trade requirements.

I. Awards and Accolades

1) Mrs. Sangeeta Sharma, Director (Liner & Passenger Services) is the winner of India Maritime Awards of "Woman Professional in Shipping & Logistics" for her outstanding contribution in the shipping business. She was conferred with the prestigious trophy in an award ceremony held on 22nd June 2018 in Mumbai.

2) The Shipping Corporation of India Ltd. has been awarded with the Certificate as the Runner-Up for the "Best Shipping Line of the Year - Break bulk / Heavy Lift Operator".

J. Material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statement relates and date of report: None

3 TECHNICAL & OFFSHORE SERVICES

A) TECHNICAL SERVICES ACTIVITIES

i) World scenario

The offshore support vessels industry is dependent on utilization of rigs, E&P activities and other activities in oil fields, which in turn depends upon strategic decisions of energy security by oil and gas producers, shifts in Government policies and long term crude oil price trends.

Till mid of FY 2017-18, in last four years the oil price were falling. However, since winter of 2017, the oil prices are showing some recovery and by end of FY 2017-18 average OPEC basket crude oil is improving. The positive is that at the end of 17-18, crude prices moved beyond US$70 and is showing further signs of strengthening. Some new E&P activities across the globe are expected to take place during FY 2018-19. During 2017-18, with low crude oil prices, oversupply of offshore assets across globe, less number of offshore E&P activities and hence the lower charter / freight rates for offshore vessels, the utilization of offshore assets globally was below 60% range throughout the year.

ii) Outlook:

The lower charter hire rate for the vessels has resulted in fall in selling price of the assets and many asset owners filed bankruptcy during the year. Many assets exchanged ownership, with purchase of secondhand ships at lower price and considering competition of already oversupplied market, the freight rates for offshore assets are expected to remain under pressure. However, with improvement in crude prices during Q4 of FY 2017-18, the E&P activities are expected to rise and hence the requirement of offshore assets. Experts believe that the crude oil price is expected to breach US$ 80.00 per barrel mark in near future. Considering self-sufficient policy by Governments of most of the developed and developing countries for the requirement of energy resources, the E&P activities throughout the world are expected to show upward trend soon and hence the requirement of offshore assets are expected to rise.

iii) Indian scenario

Historically, India's domestic production of oil and gas has fallen short of its burgeoning energy requirements, compelling our country to rely on imports. In view of stable crude oil prices, there has been increase in import of crude and private players are avoiding any new exploration and discovery activities. Though, there is an increase in consumption of crude by the country over the years, the requirement is majorly fulfilled by import of crude / petroleum products. In terms of quantity, the Crude oil imports in India was 213 million tonne (MT) in FY 2016-17 and same is pegged at 219 million tonne (MMT) for FY 2017-18. The oil import bill for FY 2016-17 was at US$ 70.196 billion, which is expected to be at US$ 87.7 billion for FY 2017-18, which is an increase of about 25%. The outcome of ONGC and other E&P operators tender shows that the expected per day rates for offshore assets were at bottom during the first quarter of FY 2017-18. However, by the end of FY 2017-18, the rates are firming up and freight market is showing some upward movement. During last quarter of FY 2017-18, crude oil prices shot up by around 24% and same rise was reflected in freight rates as well.

iv) Outlook:

With upward movement of crude oil prices and the Government of India's intervention on reduction of oil import bill, E&P activities on Indian coast is definitely expected to rise. And with increasing E&P activities, requirement of offshore assets would automatically see a surge in demand.

B OFFSHORE ACTIVITIES:

1 SCI owned Offshore vessels

In the previous year, your Company's owned offshore fleet comprised of 10 vessels i.e. 03 nos. 80T Anchor Handling, Towing Supply Vessels (AHTSVs), 04 nos. 120T AHTSVs, 02 nos. Platform Supply Vessels (PSVs) and 01 no. Multi-Purpose Support Vessel (MPSV). During the year, your company acquired one resale Multi Purpose Support Vessel (MPSV), "SCI Saraswati", on 07.07.2017 of 3,616GT and 3,719 DWT. This vessel is successfully deployed on a distinguished long term charter with Defence Research & Development Organization (DRDO).

During the year, one 120 T BP AHTSV viz. SCI Kundan continued to remain on long term charter with ONGC, while 3 nos. 120 T BP AHTSVs (Viz. SCI Pawan, SCI Ahimsa and SCI Urja) completed their contract during first half of the financial year. After completion of long term charter, these 3 nos. 120 T AHTSVs were operating in spot market /short-term charter. 2 nos. MPSVs (viz. SCI Sabarmati and SCI Saraswati) are on long term contract with DRDO. One 80 T AHTSV (SCI Ratna) of your company capsized on 21st November, 2017, due to ingress of water in the engine room. The incident took place 96 nautical miles off the coast of Mumbai and there was neither loss of life nor any oil spill in the vicinity. Further your company has already received the Insurance amount due in the matter. Remaining 2 nos. PSVs and 2 nos. 80T AHTSVs were predominantly operating in spot charter.

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 Newly acquired OSVs by ONGC

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

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

2.3 Specialized vessels

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

Your Company has also continued the Operation & Maintenance management (O&M) of ONGC owned Well Stimulation Vessel (WSV) "Samudra Nidhi" on 'cost plus basis' since the vessel's 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) 2017

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 153 days, w.e.f. 01.07.2017 till 30.11.2017.

4 DRDO Project

The Defence Research & Development Organization (DRDO), Government of India (GOI), Ministry of Defence (MOD) had requested your company for hiring of three support vessels as a platform for ship-borne tracking stations for flight trials over the Bay of Bengal and Indian Ocean. Your company had in-chartered two suitable vessels w.e.f. 27.03.2012 and 05.04.2012. The contract for these vessels had come to an end in 2016.

Thereafter, your company has acquired two suitable offshore vessels (Multi-Purpose Support Vessels) and has provided the same to DRDO on a long term charter of 4 years, for their above missions of national importance. The two MPSVs acquired by SCI are "SCI Sabarmati" on 18.11.2016 and "SCI Saraswati" on 07.07.2017, which have been deployed with DRDO.

5 Risks and Concerns

About 7 vessels are primarily operating in spot market. In spot market, per day charter hire rates are generally higher than the long term rates (industry average), however, there are more operational challenges and loss of employable days during frequent change of charter in spot market for conducting inspections/clearances. Hence efforts are being made by your company to obtain long term charters, albeit the prevailing rates are on the lower side.

Your company is keeping contacts with many E&P operators and EPC contractors with expected future requirement for offshore vessels for their offshore activities. Simultaneously, your company is also continuously on look out for any long term employment for these vessels, not only in the Indian waters but also in Foreign waters. Informatively, majority charterers in spot market are satisfied with performance of your company's vessels during FY 2017-18.

Strengths and Weaknesses

Your company has a diversified fleet of offshore vessels with 02 nos.80T AHTSVs, 04 nos.120T AHTSVs, 02 nos.PSVs and 02 nos.MPSVs, 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 has its own dis-advantages, especially considering the de-hiring of vessels by ONGC last year. Thereafter, in view of the subdued markets and increased supply of vessels in the market, employing these off-hired vessels was difficult for SCI. By the end of year, only three out of ten offshore vessels owned by SCI were on long term charter. Though the per day charter hire rates for spot is more than the long term ONGC rates (industry average), there are more operational challenges and loss of employable days during frequent change of charter in spot market for conducting inspections/clearances. Meanwhile, your Company has been approaching and employing its vessels aggressively with other private players in the market and yielding successful results. Further, with the 'Make in India' campaign of Government of India and with the Governments' view of being self-sufficient in all possible ways, the offshore industry is also expected to improve in coming years.

7 Opportunities and Threats

With increase in crude oil prices and increase in oil import bill, the E&P activities are expected to rise, thereby creating shipping demand for offshore assets in Indian coast. Further, with merger of ONGC (E&P player) and HPCL (Oil Marketing Company), their strategic decisions are now inter-linked with each other's requirement. Your company's offshore vessels have an average age of only 5 years and have balance economic life of about 20 years. 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 second hand / resale markets at a very competitive prices, which can earn good profits at lower charter levels as currently prevailing in the short term.

However, with falling charter hire rates and fall in asset prices, many new players entered in India's offshore market. Entry of new players and availability of old offshore assets at lower price are leading to high competition resulting in charter hire rates in ONGC's recent tenders to be very low and it has not been gainful for offshore assets of your company to be employed at these low levels.

Your company is also looking at various other prospects for employing its vessels, which include Government organizations, like DRDO, and is also trying to boost its revenues by enhancing its managed vessel fleet/technical consultancy services. Your company is also approaching new clients like Inland Waterways Authority of India (IWAI) for providing technical consultancy services for their forthcoming ship acquisition plans for development of the inland waterways.

C) 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, 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

During the year under report, your company had proposed an outlay of Rs.500 crore towards acquisition of vessels. Your company had envisaged acquisition of second-hand/ resale offshore vessel, Suezmax Tankers and VLGC size LPG carriers. SCI has taken delivery of three vessels during the year, and named as "SCI Saraswati" (MPSV); "Desh Abhimaan" (Suezmax Tanker); and "Nanda Devi" (VLGC).

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

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. 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 and bulk carriers.

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As per directive from IMO, all ship owners are required to report fuel oil consumption data from 1st January 2019. Your company is geared up to meet IMO's fuel oil data collection system directive.

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 & 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 industry has been through a very difficult phase over the past three years, and hence, all the companies in the Offshore Support Vessel market (OSV) have been severely affected. Exploration & Production (E&P) companies have reduced their rig counts drastically, causing demand for OSV services to plunge. Excess rig capacity has hit Platform Supply Vessels (PSVs) and Anchor Handling,Towing & Supply (AHTS) vessels the hardest. However, as the oil price has doubled since reaching the bottom in January 2016, the OSV market to some extent moved into recovery stage during the period under review, especially during the last quarter of 2017-18.

6 Measures taken to improve services and operations

During the year under review, your company has taken continuous efforts to maintain the offshore fleet to the required standards for optimal utilization in the tough shipping market. The greater emphasis has been given on preventive and planned maintenance for cost effective operations and maintenance of OSVs. Your company has availed every opportunity to employ vessels on spot charter. The available downtime was well utilized for maintenance and overhauls of machinery.

To improve its operations, your Company has taken various steps, like upgrading the conventional seals of 80T AHTSV vessel in a phased manner with advance sealing system with additional sealing arrangement called UNNET assembly to protect seals from nets, ropes and foreign particles. Also necessary changes have been made in the A/C system of 120T AHTSVs resulting in smooth operation of the vessels.

Further, your company has already entered into long term rate contracts with Original Equipment Manufacturers (OEMs) of major spare suppliers, so as to benefit from the discounted rates and streamline un-interrupted supply to our vessels.

7 Awards and Accolades:

The following managed vessels have received the BEST HSE PERFORMANCE award from ONGC during the year 2017-18 for the category mentioned against the vessel:

1. MODU Sagar Vijay - ONGC Drillship
2. OSV L.J. Johnson - ONGC Offshore Logistic Vessel
3. WSV Samudra Nidhi - ONGC MSV (IMR & Stimulation Vessel)

Further, MSV Samudra Sevak has received appreciation from ONGC for the commendable job undertaken by the vessel of recovery of damaged boat landing of B55 platform successfully and resumption of huge blocked gas production. The praiseworthy accomplishment of MSV Samudra Sevak team deserves highest level of appreciation.

Also, MSV Samudra Sevak has received appreciation from Master of "Aban Ice" (oil rig) for carrying out commendable job of disconnecting kill line from sub-sea - BOP (blow out preventer) of "Aban Ice" and connecting new line lowered from rig in zero visibility and very rough sea conditions.

8 Material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statement relates and date of report

M.t. Guru Gobind Singh disposed off on 12.07.2018. The vessel was a crude oil tanker built in 1995 with 147,474 DWT and 80,130 GT

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 & Environment Protection Policy and Drug & Alcohol Policy.

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

1. Bulk Carriers (Indian Administration) – Valid till 31.10.2022.
2. Oil Tankers and Gas Carriers (Indian Administration) – Valid till 31.10.2022.
3. Passenger Ships (Indian Administration) – Valid till 31.10.2022.
4. Other Cargo Ships (Indian Administration) – Valid till 31.10.2022.
5. MODU Vessels (Indian Administration) – Valid till 31.10.2022.
6. Gas Carriers (Malta) for LNG Vessels - Valid till 26.05.2019.
7. Gas Carrier (Singapore) for LNG Vessel - 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 Renewal/ annual DOC Verification Audit of the Company was carried out as follows:

1. DOC issued by Indian Administration – 01.11.2017 (Renewal Audit)
2. DOC issued by Malta Administration – 20.07.2017 (Annual Audit)
3. DOC issued by Singapore Administration – 20.07.2017(Annual Audit)

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 & Appreciation:-

1. Appreciation received from Chief Scientist to vessel Sagar Sampada towards retrieval of SREP on 16.05.2017.
2. Appreciation was received on 03.07.2017 to team of MSV Samudra Sevak for commendable job of recovery of damaged boat landing of B55 platform successfully and resumption of huge blocked gas production.
3. Various vessels of your company were awarded the AMVER award - trophies from U.S.Coast Guard through United States Consulate, Mumbai in September 2017.

Company's Safety, Occupational Health and Environment Protection Policy was reviewed and amended on 01.03.2018.

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 has successfully upgraded to 2015 version of ISO 9001:2008-Quality Management System and ISO 14001:2004 - Environmental Management System on board all vessels and shore establishments.

SCI is certified with IMS (ISO 9001:2015-Quality Management System, ISO 14001:2015 -Environmental Management System and OHSAS 18001:2007-Occupational Health and Safety Management System) w.e.f. 27.04.2018 and Certification is valid till 22.12.2019.

V PERSONNEL AND ADMINISTRATION

FLEET PERSONNEL

Consequent to the negotiations held between INSA Negotiating Committee and MUI Representatives for revision of INSA-MUI Wage

Agreements of Officers serving on Foreign-Going, Home Trade and Offshore Support Vessels, the revised INSA-MUI Wage Agreement for the period effective 01.04.2015 to 31.03.2019 was signed on 03.10.2017.

There is an acute shortage of senior Floating Staff officers, especially in the ranks of Masters, Chief Engineer Officers and 2nd Engineer Officers. The Fleet Personnel Department is trying to mitigate the shortage by recruiting officers on direct contract and through manning agents by offering market-related wages which have been revised significantly in the Main Fleet and Offshore Sector. However, the shortage continues due to taxation issues.

To facilitate development of employees with an aptitude for learning and for improving their in-born skills, the department organized the following seminars and training programmes:

i. Professional Development Course for ratings on 30th November and 1st December 2017.

ii. Professional Development Seminar for the senior officers on 30th November and 1st December 2017 covering topics like Maritime Labour Convention, Automation and Control Engineering, SEEMP, Risk Management, Vetting Requirements, Safety and Security Issues, Vessel Resource Management, Hydraulic and Pneumatic control etc.

To uphold and appreciate the safety culture, the Fleet Safety Awards function was organized on 01.12.2017. The fleet was divided into nine groups and against stiff competition the following nine vessels were awarded Fleet Safety Awards for being the Safest Ships in the year 2016.

Tanker Group T1:	M.T. Desh Viraat
Tanker Group T2:	M.T. Swarma Kamal
Specialized Vessels Cell (SVC Gas Carrier) Group:	Aseem
Bulk Carrier Group:	M.V. Vishva Preeti
Container, Research and Survey:	M.V. Samudra Ratnakar
Passenger Ship Group:	M.V. Campbell Bay
SCI Offshore Vessels Group:	SCI Kundan
ONGC Offshore Vessels Group:	N.B. Prasad
MSV Offshore Vessels Group:	Samudra Sevak

The Master and leading categories of officers and ratings of the prize winning ships were invited and they participated in the event.

To ensure an uninterrupted supply of officers, deck cadets, on completion of their shipboard training and subsequent to their obtaining the certificate of competency, are being offered regular employment on the terms of INSA-MUI Agreement.

2 MARITIME TRAINING INSTITUTE

Your company's Maritime Training Institute (MTI) at Powai has been awarded two prestigious awards in 2017 for excellence in maritime education – The Maritime Standard Award, Dubai and Lloyd's List: South Asia Middle East & Africa Award, Dubai. Approvals have been sought for commencing new courses at MTI Powai, including Second Mate (F.G.) function course (competency course), Electro - Technical Officer (ETO) Course, ROC-ARPA (Radar Observer's Course - Automatic Radar Plotting Aids), Proficiency in Survival Craft and Rescue Boats (PSCRB), and few others to cater to SCI and external participants in both – Nautical and Engineering domain. Presently, four batches of Diploma in Nautical Sciences (DNS) at Powai campus and two batches of Diploma in Nautical Science (DNS) Course at Tuticorin campus are underway. MTI, Powai has also successfully commenced two batches of Graduate Marine Engineering (GME) this year. Regular Guest lectures, seminars, professional development programs and skill enhancement programs are being conducted for all ranks of officers, petty officers, ratings and shore officers to enhance their competence and build a sense of belonging in them towards the company.

Your Company's Training Centre - Maritime Training Institute at Powai, Mumbai has been assigned GRADE A1 (Outstanding) rating by Class NKK after the inspection as per the Comprehensive Inspection Programme Guidelines of the Director General of Shipping. The Institute has also improved upon the Indian Maritime University (IMU) ranking from 19th to 14th and aims to reach in top 10 Maritime Training Institutes. MTI has actively contributed to the discussions and meeting for skill development and employment creation in Maritime sector under the purview of Sagarmala, Ministry of Shipping, Government of India.

Your Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has conducted 333 Courses for 5545 participants and the total man-days trained during this year is 101114. These included 92321 man-days for SCI's personnel and 8793 man-days for personnel from other companies. In addition to this, 164 of SCI's personnel were trained outside MTI and the additional man-days of training are 535. However, 105 SCI shore personnel were provided 105 man-days of in-house training. Every endeavour is made to ensure that our training institute is self-sustaining.

Reservation policy

- At MTI we have followed centre's policy of reservation during the cadet admissions.

We had admitted the DNS cadets as per the table below:

Intake	Batch	ST	SC	OBC	GEN
Jul 2017	42, 43 & 44	3	8	50	56
Jan 2018	45, 46 & 47	2	12	47	57

Batch	ST	SC	OBC	GEN
GME-06	02	08	14	16
GME-0703	07	12	18	

2.2 Information towards major achievement during the year under Review i.e. FY 2017-18

Non-Academic Achievements:

A. SOLAR POWER PLANT

SCI-MTI became the first Green Campus in Maritime Education Industry in 2017.

SCI-MTI has already increased its solar power generation capacity to 0.5 MW and reduced its electricity bills by approx. 50 – 60% on monthly basis.

SCI-MTI is also utilizing the in-campus natural waste (leaves etc) to create manure and Lake/Well Water for gardening work in MTI campus.

B. Wi-Fi

SCI-MTI has sought management approval for becoming a Wi-Fi enabled campus. M/s. Reliance Jio is in process of providing the Wi-Fi infrastructure and required internet access in the campus.

Academic Achievements

SCI-MTI has been awarded with the following awards this year;

Lloyd's List: South Asia Middle East & Africa Award – 'Training Award', Dubai

The Maritime Education & Training Award at The Maritime Standard Award (TMSA), Dubai

Pass percentage for first semester IMU exams have gone up from 62% to 79% in December 2017 examinations in comparison to June 2017 examinations.

Sessions, lectures and training beyond academia has been provided to participants at SCI-MTI, pertaining to stress management, yoga and holistic development.

C. Business Development Initiatives

SCI-MTI has aggressively communicated about its pre-sea courses (DNS and GME) to various schools, colleges, and coaching institutes for increasing awareness of Merchant Navy as a career and about academic and career opportunities with SCI-Maritime Training Institute.

Institute's various courses are being offered to non-marine industry as well for skill development and enhancement, such as Fire Prevention and Fire Fighting Techniques, Training of Trainers and Assessors etc.

D. Others

E. The Fleet Safety Awards function was held at the MTI Auditorium on 01st December, 2017.

3 Shore Personnel

The total manpower as on 01.05.2018 is 718 excluding CMD, five Functional Directors and CVO, out of which 661 are officers and 86 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.

5 SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2018 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 1.1.2018)**				**Number of appointments made during the calendar year 2017**						
					By Direct Recruitment				**By Deputation/ Absorption**		
	Total no. of employees	**SCs**	**STs**	**OBCs**	**Total**	**SCs**	**STs**	**OBCs**	**Total**	**SCs**	**STs**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Executives A	636	125	52	99	2	0	0	1	0	0	0
Non Executives B	68	22	4	3	0	0	0	0	0	0	0
C	19	6	1	0	0	0	0	0	0	0	0
D	1	0	0	0	0	0	0	0	0	0	0
Total (Executives in Grade 'A' plus Non - executives)	724	153	57	102	0	0	0	0	0	0	0

6 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 20.75% of total workforce at shore establishments of your company.

SCI has been the pioneer in India with regards to recruiting women for jobs on board its fleet. Presently, four Masters, five Chief Officers, two Second Engineers, 36 Second/Third Officers and Third/Fourth Engineers are women serving on various types of ships.

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 (2nd Prize)" under Navratna Category.

7 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. One case of sexual harassment have been reported during the year ended 31st March, 2018 for which enquiry is in progress.

8 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 a 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 2017 – 18, as per applicable provisions was Rs. 5.85 Crores. Against the available budget, your company allocated Rs. 5.85 Crores against following initiatives in the year 2017–18. The details about the policy developed and implemented by your Company on CSR initiatives taken during the year is available on SCI's website at the following link : http://www.shipindia.com/investor-relations/Notice.shareholders.aspx

In line with the above vision following initiatives have been undertaken:

(i) Promoting Preventive Health Care: Your Company has joined hands with Vivekananda Medical Research Trust, Palampur to start Urology Surgeries program at Vivekananda Medical Institute. Your company has also joined hands with Sri Chaitanya Seva Trust for supporting financially weaker patients battling with Cancer for surgeries at Bhaktivedanta Hospital & Research Institute, Thane.

(ii) 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 & MTI) to encourage and support Maritime Education in the country.

9 Women Empowerment & Gender Equality

Your Company has undertaken following initiatives under this head:

a) Supporting Parichay Foundation for providing bicycles to 59 girls coming from financially weaker background of tribal areas of Orissa. This will help these girls to reach their place of study, thus empowering them to continue with their education.

b) Joining hands with Sahayog Society for Participatory Rural Development for supporting the project 'Badhte Kadam, Buland Awaazein' - An initiative to reduce girl dropout rates in schools by reducing violence against girls and promoting menstrual hygiene management facilities.

c) Supporting Uddipan Educational Trust (UET) for construction of Girls' Hostel for less privileged girls.

d) Joining hands with Apparel Made-Ups & Home Furnishing Sector Skill Council (AMHSSC) for skill development training of 150 women

10 Environmental Sustainability & Rural Development - Your Company has joined hands with Rajasthan Electronic & Instruments Ltd. for Installation & Commissioning 100 Solar Photovoltaic Based Led Street Lighting Systems at Purna, Bihar for ensuring better illumination in the streets, safety and security and extended night life in the villages.

11 Eradicating Hunger & Malnutrition - Your Company is supporting Akshaya Patra Foundation for provision of mid-day meals to 1121 school children.

12 Employment Enhancing Vocational Skills for Divyangjans - Your Company has joined hands with The National Association of Disabled's Enterprises for setting up a Livelihood Project, "printing & stationary manufacturing" to provide training & employment to 100 divyangjans. Your Company has also joined hands with National Handicapped Finance & Development Corporation to provide skill development training to the 150 divyangjan to make them capable and self-dependent.

13 Swachh Bharat Abhiyan & Ganga Rejuventaion - Your Company undertook the construction/renovation/maintenance of 145 toilets across the country and your Company is also supporting for Solid Waste Management at port Blair under Swachh Bharat Abhiyan of Govt. of India. Additionally, your Company has joined hands with the National Mission for Clean Ganga for development of Katwa Ghat, West Bengal.

14 Recently, in wake of the Okhi Cyclone, your Company also initiated distribution of blankets to cyclone affected fishermen.

Against the allocation of Rs. 5.85 Crores, Rs. 1.70 Crores have already been spent and balance will be released on achievement/completion of project specific timelines.

15 Implementation of Official Language Policy

With an objective to implement the Official Language policy of the Govt of India, your Company remain committed to enhance the usage of Hindi in its day-to-day affairs during the year under report. In order to achieve the targets prescribed in the Annual Programme issued by the Ministry of Home Affairs, your Company organized various Hindi activities and competitions at a regular interval. Besides this, a half-day Hindi Unicode computer workshops were also conducted on monthly basis to train employees in Hindi on computers.

Your Company has also created an atmosphere to spread the use of Hindi through email correspondence by introducing a Quarterly Hindi correspondence incentive scheme. As a result, a number of employees are encouraged to take active part in this Scheme, and the eligible employees are being rewarded every quarter.

During the Hindi Pakhwara in September 2017, an appeal by CMD was emailed to all employees calling upon them to increase Hindi work in official correspondence, and thereafter, a Linguistic Harmony Culture Programme was organized for employees wherein poetry recitals and songs in different regional Indian languages like Marathi, Gujarati, Punjabi were presented. Your Company also attended TOLIC meetings during the year under report.

16 Procurement

Your company enters into rate contract on periodical basis for procurement and supply of high value and safety items like Marine Lubes, Marine Paints, Charts, Wire ropes, LSA / FFA, Life Rafts etc. This ensures timely supply of quality goods / services to the vessels at reasonable price. 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.

17 Protection & Indemnity (P&I) Insurance

Protection and Indemnity (P&I) Insurance cover entered with 3 Group P&I Clubs for your company's fleet for the policy year 2018-19 commencing from 20.02.2018 has been negotiated by your Company. Your Company, after protracted negotiations, was able to obtain a further reduction of 3.47% over and above the reductions obtained in the last financial year in the renewal premium over the expiring premium resulting in a net reduction of USD 178,727 towards renewal premium for policy year 2018-19.

Further, your company is glad to inform you that Group P&I Clubs have refunded 5% - 10% of the annual premium for the policy year 2017-18 to your company (and other members) in view of their better financial performance.

18 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 31.03.2018, your Company has disposed off most of the applications and appeals received from the parties.

VII (A) JOINT VENTURE COMPANIES

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&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 & sunrise sector of LNG. SCI is the manager for these three companies and managing techno-commercial operations of 3 LNG tankers.

India LNG Transport Co. No. 4 Ltd

SCI had 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 PLL. The 4th LNG carrier has been constructed at the Hyundai Heavy Industries, South Korea and was delivered on 30th November 2016. However with effect from 1st January 2018, PLL novated the time charter agreement to the new charterers Exxon Mobil Services B.V., Netherlands and the vessel is now trading worldwide. SCI is the manager for this company and is managing the techno-commercial operations since the delivery of the vessel.

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 & SAIL decided to voluntarily wind up the company. The company is in the process of winding up.

Irano Hind Shipping Company Ltd. (IHSC)

The decision for dissolution of the Company taken by the Cabinet has been reiterated by the Ministry of Shipping and steps in this regard are being taken. Determination of assets and liabilities of the Company is being undertaken after which closure of the company as per the process stipulated under the Iranian Commercial Code will be achieved.

VII (B) SUBSIDIARY

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

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. Supreme Court's final hearing on the matter was scheduled on 06.04.2018, outcome of which is not yet known. Informatively, M/s RITES was given the task of finding an alternative alignment to execute the project without affecting the Ram Sethu. The report submitted by them is under Ministry consideration.

VIII Memorandum of Understanding (MOU) with the Ministry of Shipping

The MOU for the financial year 2018-2019 was signed on 08.05.2018. The MOU, finalized as per the guidelines issued by the Department of Public Enterprise (DPE) for the year incorporates performance targets in sync with the changing dynamics of the shipping scenario. In addition to Financial Parameters, Sector-Specific Operational Parameters and Human Resource Management parameters, as per the DPE requirements, have also been incorporated in the MOU for achieving sustained overall growth. The MOU for the financial year 2017-18 would be due for evaluation by the DPE in November 2018.

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 01.04.2017	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 31.03.2018	4	436
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 30.05.2018 *	0	000

* 2 shareholders claimed 224 & 50 shares respectively and the said shares were accordingly transferred to them in the month of May 2018. The remaining shares have been transferred to IEPF.

An amount of Rs.15,14,484/- w.r.t. 46 applicants lying unclaimed in the Refund Account has been transferred to IEPF.

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 Rs. 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 Rs. 330.65 crores.

Your Company has received back entire sum of Rs. 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 Rs. 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 aforesaid resolution. 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 Rs.330.65 crs, an amount of Rs. 196.80 crs 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
September 2017	70.98	Equity Portion of VLGC – Nanda Devi
Total Utilised till date	196.80	

XI Segment-wise Performance

Report on performance of the various operating segments of the Company (audited) is included at Note No. 32 of Notes on Financial Statements (Standalone) for the year ended 31st March 2018, 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 undertook activities of preventive and punitive vigilance and also ensured adoption of good and ethical corporate governance practices towards achieving the stated objective of making your Company processes fair, transparent and 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' Resolution (PIDPI Resolution - 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.

Activities of the Vigilance Division carried out in 2017-18:

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 2017-18 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

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, 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) The message of Vigilance Division of SCI was spread to the public via a live interview of Chief Vigilance Officer in FM Rainbow during Vigilance Awareness Week-2017.

K) Awareness campaign on board SCI ships: In order to spread the awareness about Vigilance amongst them, the Integrity pledge was administered on board the ships and banners were displayed. This was the first time that the VAW activity has been also extended to SCI's ships.

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. Following activities are carried out by VSC

Mumbai chapter during the year 2017-18:

1) Organised WALKATHON on November 02, 2017 at BKC, Bandra (E), Mumbai during the Vigilance Awareness Week - 2017. CVOs and Employees from over 25 PSUs / PSBs participated in the march against Corruption.

2) Workshop for senior officials of PSUs/PSBs on "Principles of Procurement and Departmental Proceedings" was organized by VSC-Mumbai at the office of Bank of Baroda on February 02, 2018. Expert speakers on the subject were invited to share their experiences with the participants. About 50 senior officials from different PSUs/PSBs attended the workshop.

During the period under review, the Vigilance Division had investigated 27 complaints (i.e. 14 complaints B/F from previous year + 13 new complaints registered during the period and 17 complaints closed after investigation leaving 10 balance complaints.

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 Rs.1 crore. Thus, any goods/services contract of Rs.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 (IEMs). 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, colour etc. The freedom of association is recognized and allowed. Fair labour practices are followed and it is ensured that no child labour 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

The GST Project went live on 01.07.2017 and SCI systems are GST ready for tax compliances. Other IT initiatives such as implementation of Business Intelligence Dashboard are being implemented. Hardware refresh project is kick started to have the latest hardware for a better performance.

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, CMD (SCI) held additional charge of Director (T&OS) and Director (L&PS) upto 28.12.2017. Shri Rajesh Sood and Smt. Sangeeta Sharma were appointed as Director (T&OS) and Director (L&PS) respectively w.e.f 29.12.2017.

Shri Shambhu Singh was appointed as Additional Secretary and Financial Advisor w.e.f 3.5.2018 in place of Smt. Leena Nandan who ceased to be Director on the Board of SCI w.e.f 2.5.2018. Shri Satinder Pal Singh, Joint Secretary (MoS) was appointed as Director on the Board of SCI on 28.8.2017 in place of Shri Pravir Krishn, Joint Secretary who ceased to be on the Board of SCI w.e.f 25.7.2017.

Dr. Gautam Sinha and Shri Raj Kishore Tewari joined the Board of SCI on 29.9.2017 as Independent Directors on the Board of SCI. Dr. P. Kanagasabapathi joined the Board of SCI as an Independent Director on the Board of SCI on 20.11.2017 and Shri Vijay Tulshiramji Jadhao joined as an Independent Director on the Board of SCI on 3.7.2018.

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. Mrs. H.K. Joshi, Director (F) held additional charge of Director (P&A) upto 23.4.2018. Shri Surinder Pal Singh Jaggi joined SCI as Director (P&A) on 24.4.2018.

Capt. S. Narula ceased to be Director on the Board of SCI w.e.f 1.8.2017 due to superannuation.

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

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

There are no qualifications made by Statutory Auditors & no comments made by the Comptroller and Auditor General of India on the Standalone and Consolidated Financial Statements for the year ended 31st March 2018.

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 2017-18 and 2018-19. The Secretarial Audit report for the FY 2017-18 is appended to the Director's Report. The secretarial auditor in his report for the year ended 31st March, 2018 has brought 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:

As on date, the Board of SCI includes the following six Independent Directors: Shri Arun Balakrishnan (appointed on 30.03.2016) and Shri Sukamal Chandra Basu (appointed on 26.05.2016), Shri Gautam Sinha, Shri Raj Kishore Tewari (appointed on 29.09.2017), Shri P. Kanagasabapathi (appointed on 20.11.2017) and Shri Vijay Tulshiramji Jadhao (appointed on 03.07.2018). 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 asto 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 Ravikant, former Secretary to the Government of India, Ministry of Shipping and the existing Secretary, Shri Gopal Krishna, 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: 3rd August, 2018 — Chairman & Managing Director

CORPORATE SOCIAL RESPONSIBILITY 2017-18

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 2017-2018 are in the following broad areas : a) Projects under Swach Bharat Abhiyan & Ganga Rejuvenation b) Promotion of Education c) Women Empowerment & Gender Equality d) Preventive Health Care e) Ensuring Environment Sustainability f) Employment Enhancing Vocational Skills for Divyangjans/PwDs g) Support for Okhi Cyclone affected Fishermen 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:** ED (P&A) – Ex officio Nodal Officer Chief Manager (CSR) - Ex officio member 2 Officials from Personnel & Administration Division.
3	**Average net profit of the company for last three financial years.**	₹ 292.39 Crores
4	**Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**	₹ 5.85 crores
5	**Details of CSR spent during the financial year**	(a) Total amount to be spent for the financial year; Rs. 5.85 Crores (b) Amount unspent , if any ; Rs. 4.15 Crores (c) Manner in which the amount spent during the financial year Details attached at Annex-1

CORPORATE SOCIAL RESPONSIBILITY 2017-18

CSR Projects or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify State and district where projects or programs was undertaken	Amount Outlay (budget) Project or Program wise	Amount spent on the project or programs Sub-heads: (i) Direct Expenditure on projects or programs (ii) Overheads:	Cumulative Expenditure up to reporting period	Amount Spent : Direct or through Implementing Agency
For construction of public toilets	Swachh Bharat Abhiyan	Lakshadweep	9,043,000.00			Lakshadweep Administration
Renovation of Public Toilets around SCI office	Swachh Bharat Abhiyan	Mumbai	500,000.00	400,000.00	400,000.00	Jai Jawan Vikas Nagrik Sanstha,
Renovation (foundation level) of public toilet near SCI Regional office Kolkata	Swachh Bharat Abhiyan	Kolkata	920,000.00			Howrah Municipal Corporation
Construction of 10 toilet at govt. schools	Swachh Bharat Abhiyan	Jaipur, Rajasthan	1,890,000.00			Rajasthan Council for Elementary Education
Construction of 10 girls toilet at govt. schools	Swachh Bharat Abhiyan	Punjab	1,113,000.00	1,113,000.00	1,113,000.00	Sarva Shiksha Abhiyan Authority, Punjab
Support for purchase of composter machine for Solid Waste Management with Foldable Solar Charger	Swachh Bharat Abhiyan	Port Blair	3,853,505.00			Port Blair Municipal Corporation
Support for 'Namami Gange' programme	Ganga Rejuvenation	Katwa Ghat, West Bengal	3,500,000.00			National Mission for Clean Ganga
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	4,740,000.00	4,740,000.00	4,740,000.00	IIT's/IMU's/MTI
Support for distribution of bicycles (59 nos.)to the tribal girls	Women Empowerment & Gender Equality	Orissa	244,850.00	244,850.00	244,850.00	Parichay Foundation
Project "BADHTE KADAM, BULAND AWAAZEIN" -	Women Empowerment & Gender Equality	UP/ Uttrakhand	4,942,700.00	1,235,675.00	1,235,675.00	Sahayog Society
Project for construction of Girls Hostel	Women Empowerment & Gender Equality	West Bengal	4,790,000.00			Uddipan Educational Trust
Skill Development Training for 150 women in Apparel sector	Women Empowerment & Gender Equality	Kerala	3,861,600.00			Apparel Made-ups Home Furnishing Sector Skill Council (Under Ministry of Skill Development & Entrepreneurship, Govt. of India)
Project to start Urology surgeries programme	Preventive Healthcare	Palampur, Himachal Pradesh	6,874,000.00	6,874,000.00	6,874,000.00	Vivekananda Medical Research Trust
Bhaktivedanta Hospital & Research Institute - Support for cancer patient surgeries	Preventive Healthcare	Mumbai	1,000,000.00	350,000.00	350,000.00	Sri Chaitanya Sewa Trust

CORPORATE SOCIAL RESPONSIBILITY 2017-18

CSR Projects or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify State and district where projects or programs was undertaken	Amount Outlay (budget) Project or Program wise	Amount spent on the project or programs Sub-heads: (i) Direct Expenditure on projects or programs (ii) Overheads:	Cumulative Expenditure up to reporting period	Amount Spent : Direct or through Implementing Agency
Installation & Commissioning of Solar Photovoltaic Based Led Street Lighting Systems	Ensuring Environment Sustainability	Purnia, Bihar	2,259,143.00			Rajasthan Electronic & Instruments Ltd.
Mid Day Meal Programme - Support for adoption of 1121 students for feeding mid day meal at govt. schools	Eradicating Hunger & Malnutrition	Gujrat/UP	1,064,950.00	266,237.00	266,237.00	Akshaya Patra Foundation
Livelihood Project, "printing & stationary manufacturing" to provide training & employment to 100 disabled's	Employment Enhancing Vocational Skills for Divyangjans/PwDs	Mumbai	2,500,000.00	1,250,000.00	1,250,000.00	The National Association of Disabled's Enterprises
Skill training to 150 Divyangjan	Employment Enhancing Vocational Skills for Divyangjans/PwDs	Maharashtra	3,261,000.00			National Handicapped Finance & Development Corporation
Support for Okhi Cyclone affected Fishermen's	Support for Natural Disasters	Maharashtra	410,054.00	410,054.00	410,054.00	Direct
Impact Assessment audit through NCSR Hub, TISS	Third Party Impact Assessment	All project locations	1,124,000.00			TISS
Travel & Training Expenses	Administrative Exp.	All project locations	608,198.00	89,682.00	89,682.00	Direct
		Total	**58,500,000.00**	**16,973,498.00**	**16,973,498.00**	

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.

Of Rs. 5.85 Crores earmarked towards CSR initiatives to be undertaken in the FY 2017-18, an amount of Rs 1.70 Crores has already been disbursed/spent and the balance amount of Rs 4.15 Crores has remain unspent, though the amount has been already been allocated for various projects. As most of the initiatives (projects) undertaken have long term timelines, funds are being released in installments as per the terms of the MoU signed with the implementing agencies.

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 2017-18 which are in compliance with the Objectives and CSR Policy of the Company

(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)

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

The Directors present the Business Responsibility Report of the Company for the Financial Year ended on 31st March 2018, 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**	2017-18
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) 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) :**	₹ 361747 lakhs
3.	**Total profit after taxes (INR) :**	₹ 25375 lakhs
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :**	₹ 585 Lakhs
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 initiative for FY 2017-18 are as follows: a. Projects under the Swachh Bharat Abhiyan & Ganga Rejuvenation as per Govt. of India notification. b. Promotion of Maritime Education. c. Women Empowerment & Gender Equality. d. Promotion of Preventive Health Care. e. Ensuring Environment Sustainability. f. Eradicating Hunger & Malnutrition. g. Employment Enhancing Vocational Skills for Divyangjans/PwDs. h. Support in the wake of Natural Disasters.

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

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 31.03.2018, 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/Directors responsible for implementation of the BR policy/policies
      - DIN : 08116127
      - Name : Shri SPS Jaggi
      - Designation : Director (P&A)

   b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri N. R. Saraiya
3.	Designation	Executive Director (P&A)
4.	Telephone number	022 – 2277 2127
5.	e-mail id	nr.saraiya@sci.co.in

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

S.No.	Questions	P 1	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 BR Policy is based on SEBI guidelines and principles of UN Global Compact, Transparency International, ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007 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?**	It is available on the website.								
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. The Stakeholder Grievance Committee is functional as per the SEBI (LODR) Regulations, 2015 as amended from time to time.								
10.	**Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	No								

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.**	Annually
2.	**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**	YES, the BR Report is published as a part of SCI's Annual Report.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.
   - 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 Investor Complaints	No. of Customer Complaints	No. of Employee Complaints
1	Complaints pending at beginning of year 01.04.2017	1	6	8
2	Complaints received during the year	1	18	70
	1st Qtr	-	4	12
	2nd Qtr	-	9	23
	3rd Qtr	1	1	17
	4th Qtr	-	4	18
3	Complaints disposed of during the year	2	20	72
4	Complaints remaining unresolved at the end of the year 31.03.2018	0	4	6

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 usage by consumers (energy, water) has been achieved since the previous year?
      - Reduction of consumption of electricity by around 5% and water by around 17%, year on year basis.
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 2% 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 Institute. We promote composting in our training centre at Powai, Mumbai.

Principle 3

1. Please indicate the Total number of employees
   - 721 as on 01.04.2018.
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis
   - 09
3. Please indicate the Number of permanent women employees
   - 147
4. Please indicate the Number of permanent employees with disabilities
   - 11
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?
   - Most of the permanent employees are members of recognised employee association/s.
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 the end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	1	1
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 : 23.99
   - Permanent Women Employees : 26.58
   - Casual/Temporary/Contractual Employees : None
   - Employees with Disabilities : 23.08

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

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 the corporate office for easy mobility of a PWD employee who uses wheel chair.

   In addition, CSR initiatives are undertaken to maximize benefits to the disadvantages, 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.
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 Investor Complaints	No. of Customer Complaints	No. of Employee Complaints
1	Complaints pending at beginning of year 01.04.2017	1	6	8
2	Complaints received during the year	1	18	70
	1st Qtr	0	4	12
	2nd Qtr	0	9	23
	3rd Qtr	1	1	17
	4th Qtr	0	4	18
3	Complaints disposed of during the year	2	20	72
4	Complaints remaining unresolved at the end of the year 31.03.2018	0	4	6

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, 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.
   - ➢ The company has installed a 515 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)
   h. Association of Mullti Modal Transport Operators of India (AMTOI)
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 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. Projects under the Swachh Bharat Abhiyan & Ganga Rejuvenation
        - Lakshadweep Administration - For construction of household toilets
        - Renovation of Public Toilets near SCI Head Office at Mumbai
        - Renovation of public toilet near SCI Regional office at Kolkata
        - Construction of 10 school toilet at Rajasthan through RCEE
        - Construction of 10 girls toilet at Punjab through SSA, Punjab
        - Support for purchase of composter machine for Solid Waste Management with Foldable Solar Charger at Port Blair in association with PBMC
   - ➢ Support for ' Namami Gange' programme
     B. Scholarships for Maritime Education
     C. Promoting Gender Equality & Empowering Women
        - Distribution of bicycles (59 nos.) to the tribal girls through Parichay Foundation
        - Project "BADHTE KADAM, BULAND AWAAZEIN" through Sahayog at Lucknow, Jhansi, Nainital.

- Project for construction of Girls Hostel at Hawra in association with Uddipan Educational Trust
- Skill Development Training for 150 women through Apparel Made-ups Home Furnishing Sector Skill Council (Under Ministry of Skill Development & Entrepreneurship, Govt. of India) at Calicut.

D. Promotion of Preventive Health Care
- Vivekananda Medical Research Trust, Palampur - Procurement of equipments to start Urology Surgeries Programme.
- Bhaktivedanta Hospital & Research Institute, Mumbai, - Support for cancer patients surgeries

E. Ensuring Environment Sustainability
- Installation of 100 Solar based LED Street Lighting systems at Purnia, Bihar, through Rajasthan Electronic & Instruments Ltd.

F. Eradicating Hunger & Malnutrition
- Mid Day Meal Programme - Support for adoption of 1121 students for feeding mid day meal at govt. schools through Akshay Patra Foundation at Vrindavan, and Vadodara.

G. Employment Enhancing Vocational Skills for Divyangjans/PwDs
- Support for setting up a new Livelihood Project, "printing & stationary manufacturing" to provide training & employement to 100 disabled's through The National Association of Disabled's Enterprises at Mumbai.
- Skill training to 150 Divyangjan/PwDs through National Handicapped Finance & Development Corporation, (Dept. of Empowerment of Divyangjan/PwD's, M/o of Social Justice & Empowerment, Govt. of India) at Sindhudurg, Raigadh and Daman

H. Support for Okhi Cyclone effected fisherman

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 authorities / 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 undertaken?
   - ➢ Rs. 585 Lakhs (2017-18)
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.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
   - ➢ The customer complaints/consumer cases pending as on the end of financial year is 22%.
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 behavior 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.
   - ➢ Company as part of its Quality Management System carries out a Customer Satisfaction Survey of its various activities from the customers and customer satisfaction trends are presented in Management Quality Meetings. 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 31.03.2018

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
vii	**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.** 1, Harbourfront Place, #13-01, Harbourfront Tower One, Singapore.	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	383682	0	383682	0.08	406500	0	406500	0.09	0.00
b) Banks/FI	7425646	2200	7427846	1.59	6822649	0	6822649	1.46	(0.13)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	79739447	-	79739447	17.12	76097182	0	76097182	16.34	(0.78)
g) FIIs	4979531	2700	4982231	1.07	3884644	2400	3887044	0.83	(0.24)
h) Foreign Portfolio- Corp.	11621066	0	11621066	2.49	11143301	0	11143301	2.39	(0.10)
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**104149372**	**4900**	**104154272**	**22.36**	**98354276**	**2400**	**98356676**	**21.12**	**(1.24)**

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.	8970909	15351	8986260	1.93	13135222	13850	13149072	2.82	0.89
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	37497519	31637	37529156	8.06	37435799	27467	37463266	8.04	(0.01)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12434543	160150	12594693	2.70	12102863	160150	12263013	2.63	(0.07)
c) Others (specify)									
Non Resident Indians	25,28,832	324250	28,53,082	0.61	27,08,852	324250	30,33,102	0.65	0.04
Overseas Corporate Bodies	5250	0	5250	0.00	0	0	0	0.00	(0.00)
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
NBFC	26109	0	26109	0.01	25888	0	25888	0.01	(0.00)
Trusts	340881	0	340881	0.07	338482	0	338482	0.07	(0.00)
Clearing Member	2366330	0	2366330	0.51	4204772	0	4204772	0.90	0.39
IEPF	0	0	0	0.00	21762	0	21762	0.00	0.00
Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**64170373**	**531388**	**64701761**	**13.89**	**69973640**	**525717**	**70499357**	**15.14**	**1.24**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**168319745**	**536288**	**168856033**	**36.25**	**168327916**	**528117**	**168856033**	**36.25**	**0.00**
TOTAL (A)+(B)	**465262722**	**536288**	**465799010**	**100.00**	**465270893**	**528117**	**465799010**	**100.00**	**0.00**
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)	**465262722**	**536288**	**465799010**	**100.00**	**465270893**	**528117**	**465799010**	**100.00**	**0.00**

ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% 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**	

(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 (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	**LIFE INSURANCE CORPORATION OF INDIA - ULIF004200910LICEND+GRW512**	65796899	14.13	01/04/2017	NA	NA	65796899	14.13
				23/02/2018	607722	Sell	65189177	14.00
				02/03/2018	578198	Sell	64610979	13.87
				09/03/2018	847851	Sell	63763128	13.69
				16/03/2018	244244	Sell	63518884	13.64
		63518884	13.64	31/03/2018				
2.	**GENERAL INSURANCE CORPORATION OF INDIA**	5246302	1.13	01/04/2017	NA	NA	5246302	1.13
				25/08/2017	46302	Sell	5200000	1.12
				01/09/2017	50000	Sell	5150000	1.11
				22/09/2017	25000	Sell	5125000	1.10
				29/09/2017	25000	Sell	5100000	1.09
				06/10/2017	100000	Sell	5000000	1.07
				31/10/2017	90214	Sell	4909786	1.05
				03/11/2017	109786	Sell	4800000	1.03
				10/11/2017	19850	Sell	4780150	1.03
				22/12/2017	96399	Sell	4683751	1.01
				29/12/2017	283751	Sell	4400000	0.94
				05/01/2018	100000	Sell	4300000	0.92
				12/01/2018	300000	Sell	4000000	0.86
		4000000	0.86	31/03/2018				
3.	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	4958095	1.06	01/04/2017	NA	NA	4958095	1.06
		4958095	1.06	31/03/2018				
4.	**ASHISH RAMESHKUMAR GOENKA**	3193282	0.69	01/04/2017	NA	NA	3193282	0.69
				01/09/2017	500000	Sell	2693282	0.58
				08/09/2017	852613	Sell	1840669	0.40
				15/09/2017	61837	Sell	1778832	0.38
				13/10/2017	124300	Sell	1654532	0.36
				27/10/2017	239929	Sell	1414603	0.30
		1414603	0.30	31/03/2018				

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

Sl. No.	Name	Shareholding: No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	Shareholding: % of total shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18): No. of Shares	Cumulative Shareholding during the year (01-04-17 to 31-03-18): % of total shares of the Company
5.	DIMENSIONAL EMERGING MARKETS VALUE FUND	2469285	0.53	01/04/2017	NA	NA	2469285	0.53
				07/04/2017	47432	Sell	2421853	0.52
				28/04/2017	250067	Sell	2171786	0.47
				05/05/2017	48490	Sell	2123296	0.46
				12/05/2017	57223	Sell	2066073	0.44
				19/05/2017	124430	Sell	1941643	0.42
				26/05/2017	73390	Sell	1868253	0.40
				30/06/2017	55100	Sell	1813153	0.39
				07/07/2017	72723	Sell	1740430	0.37
				22/09/2017	22235	Buy	1762665	0.38
				05/01/2018	33246	Buy	1795911	0.39
		1795911	0.39	31/03/2018				
6.	NATIONAL INSURANCE COMPANY LTD	1991333	0.43	01/04/2017	NA	NA	1991333	0.43
		1991333	0.43	31/03/2018				
7.	PUNJAB NATIONAL BANK	1906153	0.41	01/04/2017	NA	NA	1906153	0.41
		1906153	0.41	31/03/2018				
8.	MARWADI SHARES AND FINANCE LIMITED	53077	0.01	01/04/2017	NA	NA	53077	0.01
				07/04/2017	15157	Sell	37920	0.01
				14/04/2017	3002	Sell	34918	0.01
				21/04/2017	5504	Buy	40422	0.01
				28/04/2017	292264	Buy	332686	0.07
				5/05/2017	2704	Buy	335390	0.07
				12/05/2017	804542	Buy	1139932	0.24
				19/05/2017	337745	Sell	802187	0.17
				26/05/2017	585639	Sell	216548	0.05
				02/06/2017	188092	Buy	404640	0.09
				09/06/2017	4323	Sell	400317	0.09
				16/06/2017	82475	Sell	317842	0.07
				23/06/2017	166013	Sell	151829	0.03
				30/06/2017	47963	Sell	103866	0.02
				07/07/2017	1549847	Buy	1653713	0.36
				14/07/2017	129463	Sell	1524250	0.33
				21/07/2017	2230	Sell	1522020	0.33
				28/07/2017	86430	Buy	1608450	0.35
				04/08/2017	478257	Buy	2086707	0.45
				11/08/2017	1471952	Buy	3558659	0.76
				18/08/2017	476033	Buy	4034692	0.87
				25/08/2017	182665	Sell	3852027	0.83
				01/09/2017	41733	Buy	3893760	0.84

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				08/09/2017	704117	Buy	4597877	0.99
				15/09/2017	46457	Sell	4551420	0.98
				22/09/2017	54686	Sell	4496734	0.97
				26/09/2017	381875	Buy	4878609	1.05
				29/09/2017	1195468	Buy	6074077	1.30
				06/10/2017	115534	Buy	6189611	1.33
				13/10/2017	10106	Buy	6199717	1.33
				20/10/2017	76839	Buy	6276556	1.35
				27/10/2017	567382	Sell	5709174	1.23
				31/10/2017	306290	Sell	5402884	1.16
				03/11/2017	3194197	Sell	2208687	0.47
				10/11/2017	388189	Sell	1820498	0.39
				17/11/2017	203611	Sell	1616887	0.35
				24/11/2017	1803	Buy	1618690	0.35
				01/12/2017	233655	Sell	1385035	0.30
				08/12/2017	218983	Buy	1604018	0.34
				15/12/2017	515658	Sell	1088360	0.23
				22/12/2017	165264	Buy	1253624	0.27
				29/12/2017	1251656	Buy	2505280	0.54
				30/12/2017	1758	Sell	2503522	0.54
				05/01/2018	16084	Sell	2487438	0.53
				12/01/2018	398511	Sell	2088927	0.45
				19/01/2018	461886	Sell	1627041	0.35
				26/01/2018	491389	Buy	2118430	0.45
				02/02/2018	422355	Sell	1696075	0.36
				09/02/2018	79310	Sell	1616765	0.35
				16/02/2018	170534	Buy	1787299	0.38
				23/02/2018	363639	Sell	1423660	0.31
				02/03/2018	729	Sell	1422931	0.31
				09/03/2018	2336070	Buy	3759001	0.81
				16/03/2018	945951	Sell	2813050	0.60
				23/03/2018	36657	Sell	2776393	0.60
				30/03/2018	21921	Sell	2754472	0.59
		2754472	0.59	31/03/2018				
9	**IL And FS Securities Services Limited**	133949	0.03	01/04/2017	NA	NA	133949	0.03
				07/04/2017	22877	Sell	111072	0.02
				14/04/2017	161444	Buy	272516	0.06
				21/04/2017	13651	Buy	286167	0.06
				28/04/2017	14838	Sell	271329	0.06

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				05/05/2017	3794	Buy	275123	0.06
				12/05/2017	116410	Sell	158713	0.03
				19/05/2017	133479	Buy	292192	0.06
				26/05/2017	248140	Buy	540332	0.12
				02/06/2017	138177	Buy	678509	0.15
				09/06/2017	142732	Sell	535777	0.12
				16/06/2017	142989	Sell	392788	0.08
				23/06/2017	85576	Buy	478364	0.10
				30/06/2017	45817	Buy	524181	0.11
				07/07/2017	12694	Buy	536875	0.12
				14/07/2017	26816	Buy	563691	0.12
				21/07/2017	17010	Buy	580701	0.12
				28/07/2017	258051	Buy	838752	0.18
				04/08/2017	18044	Sell	820708	0.18
				11/08/2017	25168	Sell	795540	0.17
				18/08/2017	13271	Sell	782269	0.17
				25/08/2017	41066	Sell	741203	0.16
				01/09/2017	76050	Sell	665153	0.14
				08/09/2017	357	Sell	664796	0.14
				15/09/2017	19976	Buy	684772	0.15
				19/09/2017	10400	Sell	674372	0.14
				22/09/2017	42620	Buy	716992	0.15
				26/09/2017	54319	Sell	662673	0.14
				29/09/2017	8725	Sell	653948	0.14
				06/10/2017	3749	Buy	657697	0.14
				13/10/2017	7917	Sell	649780	0.14
				20/10/2017	55095	Buy	704875	0.15
				27/10/2017	1055656	Buy	1760531	0.38
				31/10/2017	393024	Buy	2153555	0.46
				03/11/2017	3291285	Buy	5444840	1.17
				10/11/2017	26920	Buy	5471760	1.17
				17/11/2017	327923	Buy	5799683	1.25
				24/11/2017	27	Sell	5799656	1.25
				01/12/2017	228949	Sell	5570707	1.20
				08/12/2017	12482	Buy	5583189	1.20
				15/12/2017	598082	Sell	4985107	1.07
				22/12/2017	87083	Buy	5072190	1.09
				29/12/2017	2113676	Sell	2958514	0.64
				30/12/2017	948	Sell	2957566	0.63

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				05/01/2018	4676	Buy	2962242	0.64
				12/01/2018	99150	Buy	3061392	0.66
				19/01/2018	214159	Buy	3275551	0.70
				26/01/2018	43266	Sell	3232285	0.69
				02/02/2018	142238	Buy	3374523	0.72
				09/02/2018	99685	Buy	3474208	0.75
				16/02/2018	205499	Sell	3268709	0.70
				23/02/2018	997031	Sell	2271678	0.49
				02/03/2018	4336	Sell	2267342	0.49
				09/03/2018	656481	Buy	2923823	0.63
				16/03/2018	206674	Sell	2717149	0.58
				23/03/2018	23390	Buy	2740539	0.59
				30/03/2018	200606	Sell	2539933	0.55
		2534032	0.54	31/03/2018	5901	Sell	2534032	0.54
10.	**CENTRAL BANK OF INDIA**	1726153	0.37	01/04/2017	NA	NA	1726153	0.37
		1726153	0.37	31/03/2018				

(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.	H.K.Joshi	0	0.00	0	0.00	0	0.00
3.	S.V.Kher	0	0.00	0	0.00	0	0.00
4.	Rajesh Sood	0	0.00	0	0.00	0	0.00
5.	Sangeeta Sharma	0	0.00	0	0.00	0	0.00
6.	Surinder Pal Singh Jaggi	0	0.00	0	0.00	0	0.00
7.	Dipankar Haldar	0	0.00	0	0.00	0	0.00

V : INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in lakhs)

		Secured Loans excluding deposits *	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning 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**

		Secured Loans excluding deposits *	Unsecured Loans	Deposits	Total Indebtedness
	Change in Indebtedness during the financial year				
	Addition	82,194.19	52,035.00	-	1,34,229.19
	Reduction**	1,54,978.61	-	-	1,54,978.61
	Net Change	**-72,784.42**	**52,035.00**	**-**	**-20,749.42**
	Indebtedness at the end of the financial year				
i)	Principal Amount	3,79,061.00	52,035.00	-	4,31,096.00
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	3,235.88	-	-	3,235.88
	Total (i + ii + iii)	**3,82,296.88**	**52,035.00**	**-**	**4,34,331.88**

* 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**	Harjeet Kaur Joshi	Shrikant Kher	Sangeeta Sharma***	Rajesh Sood****	
1	Gross Salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35,36,933	39,07,152	28,98,977	47,98,068	48,99,852	6,19,482	6,42,814	**2,13,03,278**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,49,519	2,18,584	2,27,444	5,73,084	1,75,317	3,36,728	2,67,230	**20,47,906**
	(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)	**37,86,452**	**41,25,736**	**31,26,421**	**53,71,152**	**50,75,169**	**9,56,210**	**9,10,044**	**2,33,51,184**
	Ceiling as per the Act	-	-	-	-	-	-		-

* Shri Bipin Bihari Sinha opted for VRS w.e.f. 12.08.2017

**Shri Sarveen Narula superannuated on 31.07.2017

***Smt. Sangeeta Sharma has been holding the post of Director(L&PS) w.e.f. 29.12.2017

****Shri Rajesh Sood has been holding the post of Director(T&OS) w.e.f. 29.12.2017

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	Dr.Gautam Sinha	Raj Kishore Tewari	Dr. P. Kanagasabapathi	
1	Independent Directors						
	(a) Fee for attending board committee meetings	5,20,000	6,20,000	60,000	80,000	60,000	13,40,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	5,20,000	6,20,000	60,000	80,000	60,000	13,40,000
2	Other Non Executive Directors	N.A.	N.A.	N.A.	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**	**6,20,000**	**60,000**	**80,000**	**60,000**	**13,40,000**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**-**	**2,46,91,184**
	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	35,36,933	47,98,068	35,43,262	1,18,78,263
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,49,519	5,73,084	4,05,519	12,28,122
	(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	**37,86,452**	**53,71,152**	**39,48,781**	**1,31,06,385**

* Capt. Anoop Kumar Sharma is holding the position of CEO for which he does not 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 he does not receive any separate remuneration. The above mentioned components of his 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, 2018.

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

FORM AOC-I

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries (₹ in lakhs)

Sl. No.	Particulars	Details
1.	**Name of the subsidiary**	Inland & Coastal Shipping Limited*
2.	**Financial Year ending on**	31.03.2018
3.	**Reporting Currency**	INR
4.	**Share capital**	5
5.	**Reserves & surplus**	-9.62
6.	**Total assets**	5.1
7.	**Total Liabilities**	9.71
8.	**Investments**	0
9.	**Turnover**	0
10.	**Profit before taxation**	-0.14
11.	**Provision for taxation**	0
12.	**Profit after taxation**	-0.14
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 audited financial statements for the year ending 31st March 2018. The above subsidiary accounts are audited by the auditors other than statutory auditors of the Company.

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	31.12.2017	31.12.2017	31.12.2017	31.12.2017	20.03.2017	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. of Shares	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

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.
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 share-holding as per latest audited Balance sheet (in lakhs)	6459	6378	-4256	5270	-10003	7
7. **Profit / Loss for the year (in lakhs)***						
i. Considered in consolidation	2126	1731	220	1417**	NA	NA
ii. Not considered in consolidation	NA	NA	NA	NA	-6885	0

* Profit/loss for the year does not include other comprehensive income.

** For India LNG 4 , profit for the period 01.01.2017 to 31.03.2018(i.e 15 months) has been taken for consolidation as financial statements for the period 01.01.2017 to 31.03.2017 was not available for consolidation in the previous financial year 2016-17.

The above joint venture accounts are audited by the auditors other than statutory auditors of the Company.

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) &
Company Secretary

Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 23rd May, 2018

Mumbai, Dated the 23rd May, 2018

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, 2018 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, 2018 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	436	12.12.2008	No advances
				Interest on SHL*	319	06.05.2001	
				SHL provided/ (repaid by JV)	(1,644)		
				TOTAL	**(888)**		
ILT No. 2 Ltd.	Joint Venture Company	till 2028	Based on transfer pricing guidelines	Management & Accounting fee	436	12.12.2008	No advances
				Interest on SHL*	308	06.05.2001	
				SHL provided/ (repaid by JV)	(1,548)		
				TOTAL	**(804)**		
ILT No. 3 Ltd.	Joint Venture Company	till 2034	Based on transfer pricing guidelines	Management & Accounting fee	465	24.09.2012	No advances
				Interest on SHL*	1,018	24.09.2012	
				SHL provided/ (repaid by JV)	(1)		
				TOTAL	**1,482**		
ILT No. 4 Pvt. Ltd.	Joint Venture Company	till 2035	Based on transfer pricing guidelines	Management & Accounting fee	333	28.03.2014	No advances
				Interest on SHL*	29	13.11.2013	
				SHL provided/ (repaid by JV)	21		
				TOTAL	**382**		

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

For and on behalf of the Board of Directors

Capt. Anoop Kumar Sharma,

Chairman & Managing Director

Mumbai

Date : 23rd May, 2018

FORM MR-3 SECRETARIAL AUDIT FOR YEAR ENDED 31ST MARCH, 2018

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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, 2018 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, 2018 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) 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.

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

(U.C. SHUKLA)
Place: Mumbai — **COMPANY SECRETARY**
Date: 24/07/2018 — **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, 2018

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: 24/07/2018 **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 14 members with a mix of 6 executive (including Chairman & Managing Director) and 2 Part-time Official Directors (Government Directors who represent the promoters i.e. Government of India) and 6 Non Official Part Time (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. Sarveen Narula, Director (L&PS) ceased to be Director on the Board of SCI upon his superannuation on 31.07.2017. Smt. Sangeeta Sharma was appointed as Director (L&PS) w.e.f. 29.12.2017. Capt. Anoop Kumar Sharma, Chairman & Managing Director held additional charge of the post of Director (L&PS) after superannuation of Capt Narula till appointment of Smt Sharma as Director (L&PS). Capt. Anoop Kumar Sharma was also relieved from the additional charge of Director (T&OS) on appointment of Shri Rajesh Sood on 29.12.2017. Capt B B Sinha, Director (P&A) opted for voluntary retirement w.e.f. 12.08.2017. Additional charge for the post of Director (P&A) which was granted to Smt H K Joshi, Director(Finance) ceased on 23.04.2018 on appointment of Shri Surinder Pal Singh Jaggi as Director(P&A) on 24.04.2018.

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), Shri Pradeep Kumar, Additional Secretary & Financial Advisor (Shipping) and Smt. Leena Nandan, Additional Secretary & Financial Advisor (Shipping), who were appointed as Part time Official Directors on the board of SCI on 03.03.2017, 29.05.2017& 03.08.2017, respectively, ceased to be so on 25.07.2017, 27.07.2017 & 03.05.2018 respectively, consequent to their transfer from the Offices they held in the Ministry of Shipping. Subsequently, Shri Satinder Pal Singh, Joint Secretary (Shipping) and Shri Shambhu Singh, Additional Secretary & Financial Advisor (Shipping), were appointed as Part time Official Directors on the board of SCI on 28.08.2017 & 03.05.2018 respectively.

Dr. Gautam Sinha, Shri Raj Kishore Tewari were appointed as Non-official Part-time (Independent) Directors on the Board of SCI on 29.09.2017. Dr. P. Kangasabapathi and Shri Vijay Tulshiramji Jadhao were appointed as Non-official Part-time (Independent) Director on the Board of SCI on 20.11.2017 and 03.07.2018 respectively.

The directorships held in other public limited companies and memberships/chairmanships held in the Committees of such Boards by the members of the Board of your Company as on 31st March 2018 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	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
Shri Rajesh Sood	Director (Technical & Offshore Services)	NIL	NIL	NIL
Smt. Sangeeta Sharma	Director (Liner & Passenger Services)	NIL	NIL	NIL
Non-Executive Directors (Part-Time Official)				
Shri Satinder Pal Singh	Joint Secretary (Shipping)	03	NIL	NIL
Smt. Leena Nandan	Additional Secretary & Financial Advisor (Shipping)	NIL	NIL	NIL
Non-Official Directors (Part-Time Independent)				
Shri Arun Balakrishnan	Independent Director	05	02	03
Shri Sukamal Chandra Basu	Independent Director	01	01	NIL
Dr. Gautam Sinha	Independent Director	NIL	NIL	NIL
Shri Raj Kishore Tewari	Independent Director	01	NIL	02
Dr. P. Kanagasapathi	Independent Director	NIL	NIL	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 2017-2018, 6 Board Meetings were held, the dates being, 27.05.2017, 10.08.2017, 27.09.2017, 03.11.2017, 20.11.2017 and 13.02.2018. The details about attendance of the Directors at the Board Meetings and at the 67th Annual General Meeting (AGM) held on 26.09.2017 are given below:

Name of the Director	No. of Meetings		Attendance at the last AGM held on 26.09.2017
	Held during the tenure of Directors	Attended	
Capt Anoop Kumar Sharma*	6	6	Yes
Shri Pravir Krishn*	1	1	NA
Shri Pradeep Kumar*	0	0	NA
Smt. Leena Nandan*	5	2	NO
Shri Satinder Pal Singh*	4	3	NO
Capt. S. Narula*	1	1	NA
Capt. B. B. Sinha*	2	2	NA
Smt. H. K. Joshi	6	6	Yes
Shri S. V. Kher	6	6	Yes

Name of the Director	No. of Meetings		Attendance at the last AGM held on 26.09.2017
	Held during the tenure of Directors	Attended	
Shri Rajesh Sood*	1	1	NA
Smt. Sangeeta Sharma*	1	1	NA
Shri Arun Balakrishnan	6	5	Yes
Shri Sukamal Chandra Basu	6	6	Yes
Dr. Gautam Sinha*	3	2	NA
Shri Raj Kishore Tewari*	3	3	NA
Dr. P. Kanagasabapathi*	2	2	NA

*The changes taken place in the constitution of the Board of Directors of SCI during the FY 2017-18 are as follows#:-

Name of the Director	Date of Appointment	Date of Cessation	Reason for cessation
Shri Pravir Krishn	-	25.07.2017	Nomination withdrawn by Ministry Of Shipping
Shri Pradeep Kumar	-	27.07.2017	Nomination withdrawn by Ministry Of Shipping
Capt S Narula	-	31.07.2017	Superannuation
Capt. B B Sinha	-	12.08.2017	Voluntary Retirement
Smt. Leena Nandan	03.08.2017	03.05.2018	Nomination withdrawn by Ministry Of Shipping
Shri Satinder Pal Singh	28.08.2017	-	-
Shri Rajesh Sood	29.12.2017	-	-
Smt. Sangeeta Sharma	29.12.2017	-	-
Dr. Gautam Sinha	29.09.2017	-	-
Shri Raj Kishore Tewari	29.09.2017	-	-
Dr. P. Kanagasabapathi	20.11.2017	-	-

Shri S.P.S. Jaggi, Shri Shambhu Singh and Shri Vijay Tulshiramji Jadhao were appointed on the Board of SCI after 31st March, 2018

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

Subsequent to the cessation of directorship of Capt. Sarveen Narula from the Board of SCI, Shri S V Kher was appointed as the member of Audit Committee. The Committee was again reconstituted on 25.04.2018 with Shri Sukamal Chandra Basu as Chairman and Shri Arun Balakrishnan, Dr. P. Kanagasabapathi and Director (B&T) as its members. All the members of the Committee are 'financially literate' and have accounting and financial management expertise. The Company Secretary acts as Secretary to the Committee. The Director (Finance) and the Directors in charge of operations attend the meetings as invitees. The Statutory Auditors and Internal Auditors also attend meetings at which the audit reports / Company's financial statements are reviewed by the Committee. The terms of reference of Audit Committee include all matters specified in Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015 and the DPE guidelines on Corporate Governance for CPSEs, 2010 and covers, inter-alia, overseeing Company's financial reporting process, adequacy of internal control systems, reviewing financial risks, management policies, compliance with Accounting Standards, etc.

Audit committee meetings were held on 27.05.2017, 14.06.2017, 12.07.2017, 28.07.2017, 10.08.2017, 03.11.2017, 20.11.2017, 12.02.2018, 16.03.2018 and 26.03.2018 during the financial year 2017-2018. 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	4	4
Shri S V Kher	6	6
Shri Arun Balakrishnan	10	10
Shri Sukamal Chandra Basu	10	10

Nomination and Remuneration Committee

During the FY 2017-18, Shri Pravir Krishn was appointed as member of Nomination & Remuneration Committee vice Shri Barun Mitra through a Board Resolution passed through Circulation on 19.05.2017. Subsequent to cessation of directorship of Shri Pravir Krishn on the Board of SCI, Shri Satinder Pal Singh was appointed as the member of Nomination and Remuneration Committee. The Board reconstituted the Nomination and Remuneration Committee on 25.04.2018 with Shri Sukamal Chandra Basu as its Chairman and Shri Arun Balakrishnan, Dr. Gautam Sinha and Shri Satinder Pal Singh as its members. The terms of reference of Nomination and Remuneration committee are to take care of compliances under Section 178 of Companies Act, 2013 and clause 5.1 of the DPE guidelines on Corporate Governance for CPSEs, 2010 and part D of Schedule II of SEBI (LODR) Regulations, 2015.

Nomination and Remuneration Committee meetings were held on 26.05.2017, 14.06.2017 & 20.11.2017 during the financial year 2017-2018.

Name of the Director	No. of Meetings	
	Held during the tenure of Directors	Attended
Shri Pravir Krishn	2	1
Shri Arun Balakrishnan	3	3
Shri Sukamal Chandra Basu	3	3
Shri Satinder Pal Singh	1	1

Corporate Social Responsibility Committee

On cessation of directorship of Capt. S Narula from the Board of SCI, the Committee was re-constituted on 10.08.2017 with C&MD, Capt. Anoop Kumar Sharma as Chairman of the Committee; Shri Sukamal Chandra Basu and Shri S V Kher as its members and Director (P&A) as its member convener to be. On 25.04.2018, the committee was reconstituted with C&MD, Capt. Anoop Kumar Sharma as Chairman of the Committee; Shri Arun Balakrishnan, Dr. Gautam Sinha, Shri Raj Kishore Tewari and Director (T&OS) as its member and Director (P&A) as its member convener. Shri Arun Balakrishnan, Dr. Gautam Sinha and Shri Raj Kishore Tewari are Independent Directors.

The committee meetings were held on 26.05.2017, 12.07.2017, 20.11.2017 and 13.02.2018 in financial year 2017-2018.

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 lodgments for transfer/re-materialisation, the Share Transfer Committee held their meetings promptly to effect the transfers. The Share Transfer Committee of the Board met once during the year 2017-18 on 29.11.2017.

Stakeholders' Relationship Committee

The Committee was re-constituted on 25.04.2018 with Shri Raj Kishore Tewari as Chairman and Dr. Gautam Sinha, Dr. P. Kanagasabapathi and Director (L&PS) as its members.

Grievances & their redressals: During the year under review, there was 1 complaint pending and 1 complaint was received. The complaint has been replied/sorted out within stipulated time of 15 days as per SEBI norms. The pending complaint has also been resolved. 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	Pending as on 01.04.2017	Received during the year	Redressed during the year	Pending as on 31.03.2018
SEBI	00	01	01	NIL
Stock Exchanges	00	00	00	NIL
Other	01	00	01	NIL
Total	**01**	**01**	**02**	**NIL**

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.

Risk Management Committee

Regulation 21 of the SEBI (LODR) Regulations, 2015 was applicable only to top 100 Listed entities based on Market Capitalisation. However, regular meetings were held at Management level to review the risk registers which were thereafter put up to the Board. As per SEBI (LODR) Amendment Regulations dated 09.05.2018, Risk Management will now be applicable to top 500 listed entities, consequently, applicable to SCI also.

In the Board meeting dated 03.08.2018, the Risk Management Committee has been constituted consisting of all functional Directors.

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
2010-11 (Final)	23.09.2011	29.10.2018

Unpaid/ unclaimed balance of the Final Dividend 2009-10 and Interim Dividend 2010-11 accounts 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
65th AGM (FY 2014-15)	22.09.2015 15.30 hrs	Registered Office of the Company, Mumbai	NO
66th AGM (FY 2015-16)	26.09.2016 15.30 hrs		
67th AGM (FY 2016-17)	26.09.2017 15.30hrs		

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	25.09.2018 at 1530 hrs. at the Registered Office of the Company, "Shipping House", 245, Madame Cama Road, Mumbai – 400 021.
Financial Year	01.04.2017 to 31.03.2018
Date of Book Closure	21.09.2018 to 25.09.2018
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, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai – 400 051.
Payment of Listing Fees	The Company has paid the annual listing fees for the year 2017 -2018 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 address 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 31.03.2018.
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 31.03.2018, 99.88% of the paid-up equity share capital, representing 46,52,70,893 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, 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	

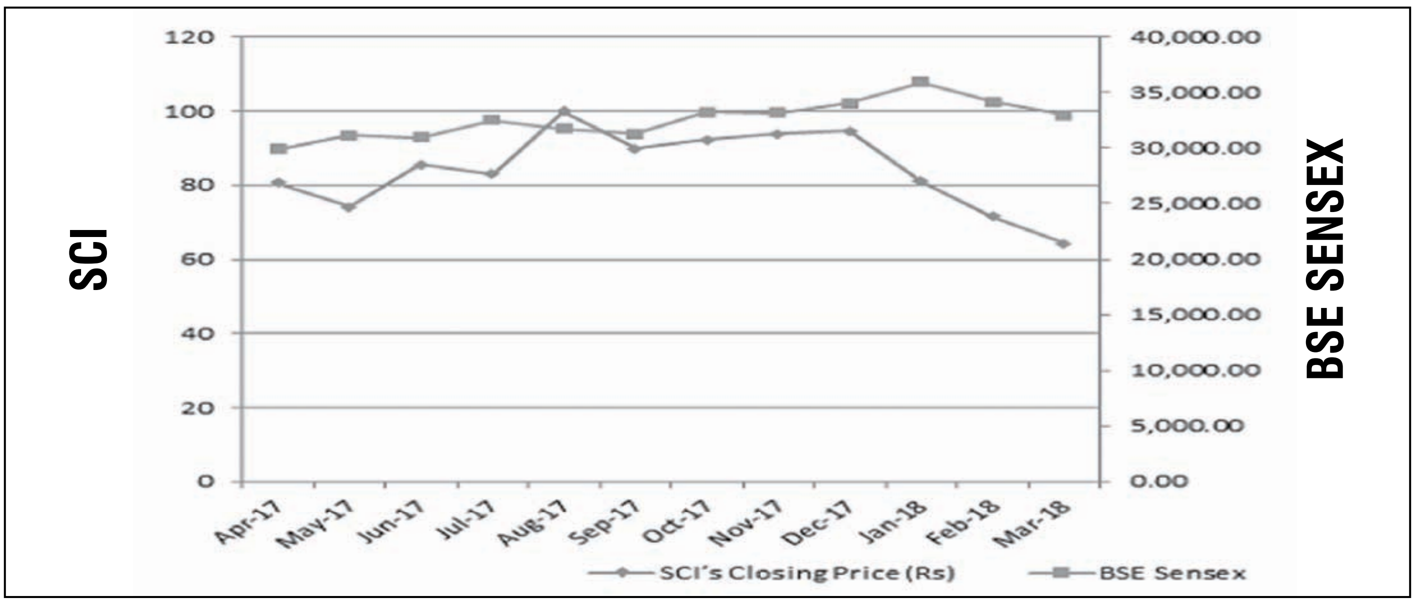
Monthly high and low quotation of shares on the BSE and NSE during the financial year 2017-2018.

Month	Share Price on BSE		Share Price on NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2017	84.80	71.30	84.65	71.10
May 2017	86.00	67.30	85.85	67.70
June 2017	92.00	70.85	91.80	70.65
July 2017	88.30	79.85	91.00	79.80
August 2017	102.40	80.00	102.60	80.00
September 2017	102.80	84.40	102.60	84.35
October 2017	100.00	87.00	99.95	87.05
November 2017	113.50	88.15	113.40	88.10
December 2017	101.80	89.65	101.90	89.50
January 2018	99.65	77.55	99.80	77.55
February 2018	86.60	66.10	86.80	65.80
March 2018	73.10	62.15	73.35	62.40

Stock Performance in comparison to BSE Sensex

Month	SCI's Closing Price (₹)	BSE Sensex
April 2017	80.60	29,918.40
May 2017	74.20	31,145.80
June 2017	85.55	30,921.61
July 2017	82.90	32,514.94
August 2017	100	31,730.49
September 2017	89.85	31,283.72
October 2017	92.30	33,213.13
November 2017	93.75	33,149.35
December 2017	94.70	34,056.83
January 2018	80.95	35,965.02
February 2018	71.55	34,184.04
March 2018	64.35	32,968.68

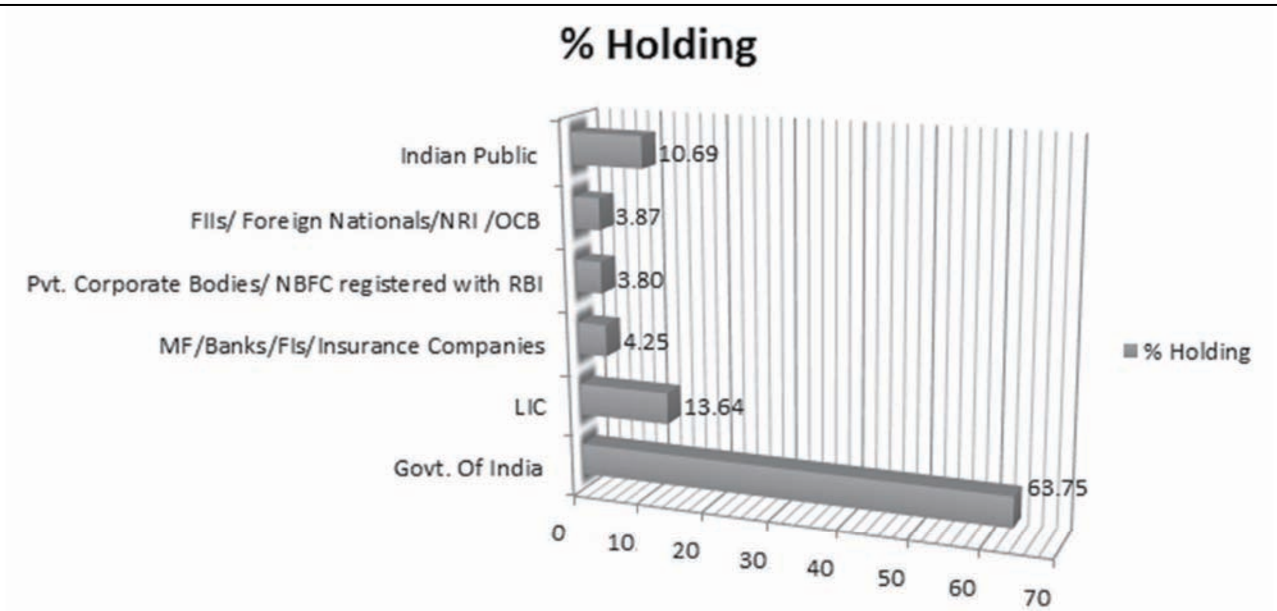
Graph showing the SCI share price movement based on the above data:



DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2018

CATEGORY	DEMAT		PHYSICAL		TOTAL		%TO (A)	
	FOLIOS	SHARES	FOLIOS	SHARES	FOLIOS	SHARES	FOLIOS	SHARES
1 - 500	1,36,941	1,79,32,328	93	14,117	1,37,034	1,79,46,445	90.86	3.85
501 - 1000	7,115	56,60,944	6	5,050	7,121	56,65,994	4.72	1.22
1001 - 2000	3,345	50,36,678	1	1,200	3,346	50,37,878	2.22	1.08
2001 - 3000	1,139	29,23,268	2	4,900	1,141	29,28,168	0.76	0.63
3001 - 4000	455	16,40,094	0	0	455	16,40,094	0.30	0.35
4001 - 5000	467	22,04,585	0	0	467	22,04,585	0.31	0.47
5001 - 10000	643	47,30,126	1	6,000	644	47,36,126	0.43	1.02
10000 & **above**	601	42,51,42,870	7	4,96,850	608	42,56,39,720	0.40	91.38
TOTAL	**1,50,706**	**46,52,70,893**	**110**	**5,28,117**	**1,50,816**	**46,57,99,010 (A)**	**100.00**	**100.00**

Distribution of Shareholding by percentage of ownership as on 31st March 2018



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	2,904,307	960,568	-	-	3,864,875
Capt. Bipin Bihari Sinha	2,747,786	252,291	1,125,949	-	4,126,026
Capt. Sarveen Narula	2,021,355	206,353	962,518	-	3,190,226

Name of the Director	Consolidated Salary	Perquisites, Allowances and other benefits	Performance Linked Incentives	Sitting Fees	Total
Smt. Harjeet Kaur Joshi	3,027,382	1,372,939	1,036,683	-	5,437,004
Shri Shrikant Kher	3,185,391	1,548,118	760,954	-	5,494,463
Smt. Sangeeta Sharma	619,482	336,728	-	-	956,210
Shri Rajesh Sood	642,814	267,230	-	-	910,044
Shri Arun Balakrishnan	-	-	-	520,000	520,000
Shri Sukamal Chandra Basu	-	-	-	620,000	620,000
Dr. Gautam Sinha	-	-	-	60,000	60,000
Shri Raj Kishore Tewari	-	-	-	80,000	80,000
Dr. P. Kanagasabapathi	-	-	-	60,000	60,000
TOTAL	**15,148,517**	**4,944,227**	**3,886,104**	**1,340,000**	**25,318,848**

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.

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 31 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.

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 Rs. 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 Rs. 330.65 Crores.

Your Company has received back entire sum of Rs. 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 Rs. 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 aforesaid resolution. 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 Rs. 330.65 Crores, an amount of Rs. 196.80 Crores has been utilized 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
September 2017	70.98	Equity portion of VLGC – Nanda Devi
Total Utilised till date	196.80	

Management Discussions and Analysis Report

The report forms a part of the Directors' Report to the Shareholders and it includes discussions on matters, as required under the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015.

Material Financial and Commercial Transactions of Senior Management Personnel

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

CEO / CFO Certification

A certificate from Chairman and Managing Director and Director (Finance) on the financial statements of the Company and on the matters which were required to be certified according to the Regulation 17(8) of SEBI (LODR) Regulations, 2015 was placed before the Board.

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 were 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 2017-18.

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.

Unmodified Opinions in Audit Report

There are no qualifications made by Statutory Auditors & no comment made by the the Comptroller and Auditor General of India on the Standalone and Consolidated Financial Statements for the year ended 31st March 2018.

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.

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. Presidential Directive dated 28.02.2018, regarding implementation of Pay revision of Board level and below Board level Executives and Non- Unionized Supervisors of Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2017, have been received and has been implemented in March 2018.

3. SCI is actively participating in Swachh Bharat drive within the campus and in public places. Cadets, trainees, faculties and staff all are involved in the activity- planned at regular intervals. In line with Government's vision, Swacchta Pakhwada is regularly organized. Various activities and programs are conducted to promote the message of cleanliness. One of the Cleaning Drive was carried out under Swachh Bharat Mission at MTI Powai on 09.05.2017.
4. 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.
5. There are no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.
6. The office and administration expenses as a percentage of total expenses are 7.76% in FY 2017-18 as against 6.53% in FY 2016-17 (Restated as per IND AS). The finance expenses as a percentage of total expenses is 5.01% in FY 2017-18 as against 5.05% in FY 2016-17(Restated as per IND AS).

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 03.08.2018

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 2017-18 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 : 03.08.2018

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, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para 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 "SEBI Listing Regulations, 2015") and as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

The 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.

Auditor's Responsibility

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

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.

Opinion

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

The company has not complied with the requirement of Regulation 17(1)(b) of the Listing Regulations -2015, with regard to the composition of the board of directors comprising of at least 50% Independent Directors.

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.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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 STANDALONE FINANCIAL STATEMENTS OF THE SHIPPING CORPORATION OF INDIA LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2018

The preparation of Standalone Financial Statements of the Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2018 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 23 May 2018.

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 Standalone Financial Statements of the Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2018. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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

(Roop Rashi)
Principal Director of Commercial Audit and
Ex- Officio Member, Audit Board – I, Mumbai

Place: Mumbai
Date: 27th July 2018

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 2018

The preparation of Consolidated Financial Statements of the Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2018 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 23 May 2018.

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, Mumbai for the year ended 31 March 2018. We conducted a Supplementary Audit of the Financial Statements of the Shipping Corporation of India Limited and Inland and Coastal Shipping Limited but did not conduct Supplementary Audit of the Financial Statements of India LNG Transport Company(No.1) Limited (Malta), India LNG Transport Company(No.2) Limited (Malta), India LNG Transport Company(No.3) Limited (Malta) and India LNG Transport Company(No.4) Limited (Singapore) for the year ended on that date. Further, Sections 139(5) and 143(6)(b) of the Act are not applicable to India LNG Transport Company(No.1) Limited (Malta), India LNG Transport Company(No.2) Limited (Malta), India LNG Transport Company(No.3) Limited (Malta) and India LNG Transport Company(No.4) Limited (Singapore) being private entities/entities incorporated in foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of Supplementary Audit. Accordingly, the Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the Supplementary Audit of these Companies. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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

(Roop Rashi)
Principal Director of Commercial Audit and
Ex- Officio Member, Audit Board – I, Mumbai

Place: Mumbai
Date: 27th July 2018

INDEPENDENT AUDITORS' REPORT

To,
The Members of
THE SHIPPING CORPORATION OF INDIA LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **The Shipping Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

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. 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 March 31, 2018, 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 March 31, 2018.

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.

iii. As mentioned in the Note No. 41 to the Financial Statements, the revision in the method of allocation of Management Overheads is in the process of approbation with the respective customers.

Our Opinion is not qualified in respect of this matter.

6. 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 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017;

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 and as amended from time to time, 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 28 to 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.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 23rd May, 2018

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

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

Place: Mumbai
Date: 23rd May, 2018

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 March 31, 2018)

(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, the title deeds for all immovable properties are held in the name of the Company, except as mentioned in the **Table No.1**, for which no records were made available to us for verification.

Table No. 1 ***(Amount in lakhs)***

Apartment Name	No of Flats	Gross Block	Net Block as on 31.03.2018
AJANTA APTS	1	2.35	1.06

(ii) The physical verification of inventories 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 the 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, 2018 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

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
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	186	-	186
9	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2012-13	300	-	300
10	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2014-15	4,253	851	3,402
11	Income Tax Act, 1961	Tax U/s 201(1) 201(1A)	CIT(A) Mumbai	2011-12	2,170	-	2,170
12	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 15	4,183	170	4,013
13	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 15	875	-	875
14	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 14	3,129	2,159	970
15	Finance Act, 1994	Service tax	CESTAT	July 12 to Sep 15	4,945	-	4,945
16	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 14	38,394	-	38,394
17	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Sep 15	34,001	-	34,001
18	Finance Act, 1994	Service tax	Commissioner (A)	July 12 to Sep 15	8	-	8
19	Finance Act, 1994	Service tax	Commissioner, LTU	Oct 09 to Sep 14	76,474	-	76,474
20	Finance Act, 1994	Service tax	CESTAT	July 12 to Sep 14	34	3	31
21	Finance Act, 1994	Service tax	CESTAT	Oct 09 to Jun 12	22	-	22
22	Finance Act, 1994	Service tax	Joint Commissioner, LTU	Oct 09 to Jun 12	18	-	18
23	Finance Act, 1994	Service tax	CESTAT	Apr 09 to Jul 14	767	767	0
24	Finance Act, 1994	Service tax	Joint Commissioner, LTU	May 10 to Sep 12	127	1	126
25	Finance Act, 1994	Service tax	Joint Commissioner, LTU	Oct 08 to Mar 12	97	-	97
26	AP VAT Act, 2005	VAT	CTO	2011-12	10	-	10
27	Sales Tax	VAT	Bombay High Court	1994-95	14	-	14
28	Sales Tax	VAT	Bombay High Court	1993-94	22	-	22
29	Sales Tax	VAT	Bombay High Court	2017-18	95	-	95
				Total	**1,88,692**	**3,950**	**1,84,742**

(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 Rs. 29,628 Lakhs as on March 31, 2017 the company has utilized Rs.16,243 Lakhs during the year for the purpose for which it has been raised. However, balance amounting to Rs. 13,385 Lakhs as on March 31, 2018 have not been utilized and kept in a Fixed Deposit pending utilization. In our opinion, the term loans have been applied for the purpose for which those have been 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) According to the information and explanations given by the management, 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: 23rd May, 2018

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

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

Place: Mumbai
Date: 23rd May, 2018

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 2017-18

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 Rs. 5,25,30,470/- 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 2017-18

Sr. No.	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

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

Name of Party	Amount	Reason
Miscellaneous parties	5,568	Balance is too small and uneconomical to collect.
Miscellaneous parties	1,550	Balance is too small and uneconomical to collect.
Miscellaneous parties	20,000	Balance is too small and uneconomical to collect.
Miscellaneous parties	1,70,000	The amount is more than 20 year old and recovery not feasible.
HINDUSTAN SHIPYARD LIMITED	7,34,932	The amount is more than 15 year old and recovery not feasible.
SALAM STEEL PLANT.	3,56,066	The amount is more than 15 year old and recovery not feasible.
ALLIED MARITIME	8,46,239	Party is Liquidated.
CCA	16,08,020	The amount is more than 10 year old and recovery not feasible.

Name of Party	Amount	Reason
KLINE	16,29,387	The amount is more than 10 year old and recovery not feasible.
JINYANG SHIPPING	26,37,994	The amount is more than 10 year old and recovery not feasible.
SOUTHERN CHARTERING	74,96,528	Charterer gone defunct.
SHIP STORES SUPPLIERS DEPOSIT	3,84,500	The write off arising out of reconciliation of deposits.
CLIPER SHIPPING LTD	1,29,17,422	The amount is more than 22 years old and recovery not materialize despite all efforts.
CONTROLLER OF RATIONING AND DIR	5,000	Balance is too small and uneconomical to collect.
OIL AND NATURAL GAS CORPORATION	20,200	Balance is too small and uneconomical to collect.
INDIAN OXYGEN GAS DEPOSIT PAWAI	19,650	Balance is too small and uneconomical to collect.
VIDESH SANCHAR NIGAM LTD MUMBAI	20,000	Balance is too small and uneconomical to collect.
P & T TELEX DEPOSIT-CALCUTTA.	70,000	Recovery not materialize despite all efforts.
IRIS LINES	61,416	The amount is more than 10 year old and recovery not feasible.
GEEPEE SHIPPING & TRADING	35,416	The amount is more than 10 year old and recovery not feasible.
COMPASS INTERNATIONAL	10,025	Balance is too small and uneconomical to collect.
CENTRAL WAREHOUSING CORPORATION	1,213	Balance is too small and uneconomical to collect.
BORNEO SHIPPING	55,00,699	The party is absconding and untraceable.
PANTHAI SHIPPING LTD	14,82,150	The amount is more than 10 year old and recovery could not be made despite all efforts.
LAND AIR SEA TRANSPORT	1,64,96,497	The party is absconding and untraceable.
TOTAL	**5,25,30,470**	

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, 2018, 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.

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

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 March 31, 2018.

a) The timely updation and monitoring of the data, with respect to Fleet Personnel, needs to be strengthened. Maker checker concept in case of initial entering of the floating staff data needs to be strengthened.

b) 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.

c) Legacy balances should be reconciled.

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

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

h) FDA's and PDA's reconciliation needs to be done on timely basis.

i) Expenses booking in the correct profit centres needs to be further strengthened.

j) Forex Valuation system needs to be strengthened.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018 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 weaknesses 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, 2018.

We have considered the material weaknesses 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 March 31, 2018 and these material weaknesses 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: 23rd May, 2018

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

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

Place: Mumbai
Date: 23rd May, 2018

The Shipping Corporation of India Limited

STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017 (Restated)*	As at 1 April 2016 (Restated)*
ASSETS				
Non-current assets				
Property, plant and equipment	**3**	1,134,748	1,141,062	1,182,675
Capital work-in-progress	**4**	781	2,733	-
Other intangible assets	**5**	52	6	46
Financial assets				
i. Investments	**6(a)**	7,482	7,463	2,827
ii. Loans	**6(b)**	1,885	1,708	1,689
iii. Other financial assets	**6(c)**	91	32	91
Income Tax assets (net)	**7**	16,209	13,031	13,107
Other non-current assets	**8**	7,921	9,108	6,035
Total non-current assets		**1,169,169**	**1,175,143**	**1,206,470**
Current assets				
Inventories	**9**	11,653	11,521	8,558
Financial assets				
i. Investments	**6(d)**	5,605	-	3,746
ii. Trade receivables	**6(e)**	60,858	65,870	68,183
iii. Cash and cash equivalents	**6(f)**	26,059	57,123	49,682
iv. Bank balances other than (iii) above	**6(g)**	86,953	80,442	78,864
v. Loans	**6(b)**	23,618	26,738	28,878
vi. Other financial assets	**6(c)**	37,285	16,966	10,228
Other current assets	**8**	18,838	14,205	19,734
Assets classified as held for sale	**10**	28	713	97
Total current assets		**270,897**	**273,578**	**267,970**
Total assets		**1,440,066**	**1,448,721**	**1,474,440**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	**11**	46,580	46,580	46,580
Other Equity	**12**	663,176	636,697	621,630
Total equity		**709,756**	**683,277**	**668,210**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**13(a)**	330,657	307,763	455,619
ii. Other financial liabilities	**13(b)**	94	38	9
Provisions	**14**	9,004	8,574	14,559
Deferred tax liabilities (net)	**15**	10,395	38,822	39,447
Total non-current liabilities		**350,150**	**355,197**	**509,634**

The Shipping Corporation of India Limited

STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017 (Restated)*	As at 1 April 2016 (Restated)*
Current liabilities				
Financial liabilities				
i. Borrowings	**13(c)**	127,441	97,420	-
ii. Trade payables				
Micro, Small and Medium Enterprises	**13(d)**	2,579	1,585	515
Others	**13(d)**	95,787	113,571	109,322
iii. Other financial liabilities	**13(b)**	116,626	160,148	145,273
Other current liabilities	**16**	16,185	16,195	15,876
Provisions	**14**	932	968	4,640
Current tax liabilities (net)	**17**	1,330	1,137	2,614
Liabilities directly associated with assets classified as held for sale	**18**	19,280	19,223	18,356
Total current liabilities		**380,160**	**410,247**	**296,596**
Total liabilities		**730,310**	**765,444**	**806,230**
Total equity and liabilities		**1,440,066**	**1,448,721**	**1,474,440**

* See Note No. 30 for details regarding the restatement as a result of an error.
The accompanying statement of profit & loss, cash flow statement, statement of changes in equity and notes No. 1 to 42 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

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

Mumbai, Dated the 23rd May, 2018

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 23rd May, 2018

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 2018	Year ended 31 March 2017 (Restated)*
Revenue from operations	**19,20**	346,947	344,735
Other income	**21**	14,800	14,523
Total Income		**361,747**	**359,258**
Expenses			
Cost of services rendered	**22**	222,304	217,799
Employee benefits expense	**23**	48,592	41,815
Finance costs	**24**	17,978	17,215
Depreciation and amortisation expense	**25**	61,025	56,607
Other expenses	**26**	8,900	7,246
Total expenses		**358,799**	**340,682**
Profit/(Loss) before exceptional items and tax		**2,948**	**18,576**
Exceptional items		-	-
Profit/(Loss) before tax		**2,948**	**18,576**
Tax expense	**29**		
Current tax		6,000	6,105
Deferred tax		(28,427)	(625)
MAT Credit adjusted		-	(1,132)
Total tax expense		**(22,427)**	**4,348**
Profit for the period		**25,375**	**14,228**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements gain/(loss) of defined benefit plans		1,103	838
Other comprehensive income for the period, net of tax		**1,103**	**838**
Total comprehensive income for the period		**26,478**	**15,066**
Earnings per equity share	**27**		
Basic earnings per share		**5.45**	**3.05**
Diluted earnings per share		**5.45**	**3.05**

* See Note No. 30 for details regarding the restatement as a result of an error.

The accompanying cash flow statement, statement of changes in equity and notes No. 1 to 42 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
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Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 23rd May, 2018

Mumbai, Dated the 23rd May, 2018

The Shipping Corporation of India Limited

STANDALONE CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A Cash Flow from operating activities		
Profit before income tax	2,948	18,576
Adjustments for		
Add:		
Depreciation and amortisation expenses	61,025	56,607
Finance costs	17,978	17,215
Bad debts and irrecoverable balances written off	525	7
Provision for doubtful debts	511	-
Provision for diminution of value of investment	-	39
Less:		
Dividend received	(205)	(44)
Interest received	(8,630)	(10,644)
Excess Provisions written back	(4,500)	(642)
Surplus on sale of fixed assets	(5,150)	(803)
Provision for doubtful debts	-	(1,099)
Change in non-current investment due to fair valuation	(19)	-
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(19,000)	1,391
(Increase)/Decrease in inventories	(132)	(2,963)
Increase/(Decrease) in trade payables	(11,650)	(3,015)
	33,701	74,625
Cash generated from operations		
Income taxes paid	(8,985)	(6,374)
Net cash inflow from operating activities (A)	**24,716**	**68,251**
B Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(64,777)	(19,336)
Sale proceeds of property, plant and equipment	17807	1,837
Dividend received	205	44
Purchase of investments	(5,605)	-
Purchase/Sale of investments	-	3,746
Purchase of non-current investments	-	(4,675)
Loans given to Joint venture	-	(383)
Recovery of Loans given to employees and Joint venture	2855	2,529
Other Deposits with banks	(6,518)	(1,597)
Advances and other Deposits	194	(855)
Interest received	8,765	10,103
Net cash outflow from investing activities (B)	**(47,074)**	**(8,587)**

The Shipping Corporation of India Limited

STANDALONE CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
C Cash flow from financing activities		
Long term loans borrowed/(repaid)	(20,713)	(132,667)
Short term loans borrowed/(repaid)	30,021	97,420
*Dividend on shares paid of earlier years and transfer to IEPF	(7)	(19)
Interest paid	(17,863)	(16,788)
Other financing costs	(151)	(188)
Net cash inflow (outflow) from financing activities (C)	**(8,713)**	**(52,242)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(31,071)**	**7,422**
Add: Changes in Bank balances (unavailable for use) *	7	19
Add: Cash and cash equivalents at the beginning of the financial year	57,123	49,682
Cash and cash equivalents at the end of the year	**26,059**	**57,123**
Reconciliation of Cash Flow statements as per the cash flow statement		
Cash Flow statement as per above comprises of the following	**31 March 2018**	**31 March 2017**
Cash and cash equivalents	26059	57123
Balances as per statement of cash flows	26059	57123

*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.
Chartered Accountants
FR. No. 100515W

CA Sanjeev Maheshwari
Partner
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Dipankar Haldar
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Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 23rd May, 2018

Mumbai, Dated the 23rd May, 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)

Balance as at 1st April 2016	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2017	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2018	**46,580**

B. Other Equity

	Note	Reserves and Surplus						Total Equity
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Other Reserves			
					General Reserve	Tonnage Tax Reserve	Tonnage Tax Reserve (Utilised)	
Balance as at 1st April 2016 (as previously reported)		**14,298**	**52,177**	**6,516**	**543,727**	**9,050**	**-**	**625,768**
Impact of Prior items		-	-	4,138	-	-	-	**4,138**
Restated balance as at 1st April 2016		-	-	**2,378**	-	-	-	**621,630**
Profit for the year		-	-	14,229	-	-	-	**14,229**
Other Comprehensive Income for the year	33	-	-	838	-	-	-	**838**
Total Comprehensive Income for the year		-	-	**15,067**	-	-	-	**15,067**
Transfer from Tonnage tax reserve (utilised)		-	-	(750)	9,050	-	-	**8,300**
Transfer from surplus in Statement of Profit & 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**	**16,695**	**552,777**	**750**	**-**	**636,697**
Profit for the year		-	-	25,376	-	-	-	**25,376**
Other Comprehensive Income for the year	33	-	-	1,103	-	-	-	**1,103**
Total Comprehensive Income for the year		-	-	**26,479**	-	-	-	**26,479**
Transfer from Tonnage tax reserve (utilised)		-	-	-	750	-	-	**750**
Transfer from surplus in Statement of Profit & Loss account		-	-		-	-	-	**-**
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	(750)	-	**(750)**
Transfer from Tonnage tax reserve		-	-	-	-	-	750	**750**
Transfer to Capital Reserve		907	-	(907)	-	-	-	**-**
Transfer to General Reserve		-	-	-	-	-	(750)	**(750)**
Balance as at 31 March 2018		**15,205**	**52,177**	**42,267**	**553,527**	**-**	**-**	**663,176**

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
Partner
Membership No. 38755

CA Chetan R. Sapre
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Dipankar Haldar
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Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 23rd May, 2018

Mumbai, Dated the 23rd May, 2018

SIGNIFICANT ACCOUNTING POLICIES

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 23rd May 2018.

Note 1: 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 from time to time) read with Section133 of the Companies Act, 2013 ("the Act") to the extent applicable and current practices prevailing within the Shipping Industries in India. The policies set out below have been consistently applied during the years presented.

(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) Amended standard adopted by the Company

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities are provided in the Note no. 13(C).

(f) Recent accounting pronouncements

Standard issued but not yet effective

Ind AS 115 'Revenue from Contracts with Customers':

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28 March 2018 notifying Ind AS 115 'Revenue from Contracts with Customers'.

Ind AS 115 replaces Ind AS 18 which covers contracts for goods and services and Ind AS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. It establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company is evaluating the requirements of the Standard and the effect on the financial statements is being evaluated. This standard will be applied by the Company from its effective date i.e. from accounting period commencing on or after April I, 2018.

There are no other standards, changes in standards and interpretations that are not in force that the Company expects to have a material impact arising from its application in its financial statements.

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 are recorded at the previous day's available RBI reference rate/exchange rate. Since the RBI reference rate is available for four major currencies only i.e, USD, UKP, EUR, YEN, exchange rates of other currencies are taken from xe.com website.

The foreign currency balances in US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the available RBI reference rate/exchange rate at the period end. The foreign currency balances other than US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the rate available on xe.com website at the period end. Thereafter, the monetary assets and monetary liabilities as well as the Long Term Loans are translated into rupees at RBI reference rate/exchange 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 for acquiring ships / containers / other depreciable assets and asset under construction is recognised as follows:

a) In respect of long term loans as on 31.03.2016, exchange difference is adjusted in the carrying cost of respective assets.

b) In respect of long term loans after 31.03.2016, the exchange difference 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.

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. In case of VLGC vessel, the company has adopted a useful life of 30 years as mentioned in Schedule II to the Companies Act, 2013. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25/30 years from the date of original built.

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 Rs. 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. 10 - 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, GST 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

Amortization 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/Weighted Average 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 /weighted average” 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 for providing 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 employee's 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 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.

(b) No provision is made in respect of claims by the company covered under Hull & Machinery insurance and treatment of such claims is as under:-

i. Expenses on account of particular and general average claims/ damages to ships are charged off in the period in which they are incurred.

ii. Claims against the underwriters are accounted on submission of the Adjuster's report to the underwriters.

(c) Claims made by the Company against other parties not covered under insurance including ship repair yards, ship-owners, ship charterers, customs and others, etc. are recognised 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 Company 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.

Discount Rate for the valuation is determined by reference to market yields at the balance sheet date on Government Bonds. This is the rate that is 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.

Note 3: 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 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 10)	-	-	-	(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 10)	-	-	-	-	-	-	-	-	**-**
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**	**0**	**1,141,062**
Year ended 31 March 2018									
Gross carrying amount									
Opening gross carrying amount	237,630	1,107	140	1,306,182	46,704	-	1,511	8	**1,593,282**
Additions	-	-	-	48,292	15,477	-	170		**63,939**
Disposals	-	-	-	(61,798)	(875)	-	-	-	**(62,673)**
Transfer	-	-	-	-	2,733	-	-	-	**2,733**
Closing gross carrying amount	**237,630**	**1,107**	**140**	**1,292,676**	**64,039**	**-**	**1,681**	**8**	**1,597,281**
Accumulated depreciation									
Opening accumulated depreciation	-	52	10	431,393	20,166	-	591	8	**452,220**
Depreciation charge during the year	-	28	5	46,207	14,517	-	257	-	**61,014**
Disposals	-	-	-	(50,300)	(401)	-	-	-	**(50,701)**
Closing accumulated depreciation	**-**	**80**	**15**	**427,300**	**34,282**	**-**	**848**	**8**	**462,533**
Net carrying amount	**237,630**	**1,027**	**125**	**865,376**	**29,757**	**-**	**833**	**0**	**1,134,748**

Notes

(1) Additions to Fleet include ₹ (-) 76 Lakhs (Previous year ₹ 8995 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 2017, ₹ 134 lakhs and 1st April 2016, ₹ 134 Lakhs) which is on leasehold land wherein the value of lease is considered at ₹ 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).

(4) *Refer Note 34 for Fleet pledged with banks for Borrowings

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Note 4: Capital Work-in-Progress

Particulars	As at April 1, 2016	Incurred during the year	Capitalised/ Adjusted	As at March 31,2017	Incurred during the year	Capitalised/ Adjusted	As at March 31,2018
(A) Construction Work in Progress							
Asset under Construction excluding advance	-	2,733	-	2,733	781	2,733	781
(B) Costruction Period Expenses							
a. Interest	-	-	-	-	-	-	-
b. Other directly attributable expenses	-	-	-	-	-	-	-
c. Exchange fluctuation	-	-	-	-	-	-	-
Total(A+B)	**-**	**2,733**	**-**	**2,733**	**781**	**2,733**	**781**

Note 5: Intangible assets

Particulars	Computer Software	Total
Year ended 31 March 2017		
Gross carrying amount		
Opening gross carrying amount	1,279	1,279
Additions – internal development	-	-
Acquisition of subsidiary	-	-
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
Year ended 31 March 2018		
Gross carrying amount		
Opening gross carrying amount	1,279	1,279
Additions	57	57
Acquisition of subsidiary	-	-
Closing gross carrying amount	**1,336**	**1,336**
Accumulated amortisation		
Opening accumulated amortisation	1,273	1,273
Amortisation charge for the year	11	11
Closing accumulated amortisation	**1,284**	**1,284**
Closing net carrying amount	**52**	**52**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 6: Financial assets

Note 6(a): Non-current investments

Particulars	Face value	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		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	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	11036558	7,352	4268732	2,721
(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	50000000	5,000	50000000	5,000	50000000	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	-
Less: Loss allowance			-		-		-
			-		-		-
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd. (Previous year ₹ 60000)	Rs 10	60000	118	60000	99	60000	99
Total (equity instruments)			**7,482**		**7,463**		**2,827**
Total non-current investments			**7,482**		**7,463**		**2,827**
Aggregate amount of unquoted investments			12,482		12,463		7,827
Aggregate amount of impairment in the value of investments			5,000		5,000		5,000
Investments carried at cost			7,364		7,364		2,728
Investments carried at fair value through Profit and Loss			118		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 Rs 5000 lakhs (previous year Rs 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%

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 NYK, MOL and K Line along with PLL. SCI, NYK and PLL are the largest shareholders with 26% share each, while MOL and Kline hold 15.67% and 6.33% 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.

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

Note 6(b): Loans

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Unsecured, considered good						
Loans to related parties*	23,302	-	26,398	-	28,607	-
Loans to employees	316	1,573	340	1,467	271	1,500
Security Deposits	-	312	-	241	-	189
Total loans	**23,618**	**1,885**	**26,738**	**1,708**	**28,878**	**1,689**

* The loans given to JV companies are classified as current as the loans are repayable on demand as per the shareholders' loan agreement. However, the repayment of loan requires the consent of the other shareholders.

Note 6(c): Other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	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 31 for details)						
Interest Receivable	101	-	305	-	15	-
Bank deposits with more than 12 months maturity						
- Term Deposits	-	87	-	20	-	79
Receivable from Subsidiary-ICSL Ltd.	10	-	9	-	-	-
Income accrued on deposits/investments	2,514	-	2,564	-	1,949	-
Claim Recoverable	2,656	-	1,310	-	772	-
Unbilled Revenue*	32,003	-	12,778	-	7,492	-
Others	1	4	-	12	-	12
Total other financial assets	**37,285**	**91**	**16,966**	**32**	**10,228**	**91**

*Includes revenue recognised for fully rendered and partially rendered services for which invoices are not raised till reporting date.

Note 6(d): Current investments

Particulars	Face value	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		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	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
500 (Prev.yr.500) shares of Rs 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)	Rs 10	500	-	500	-	500	-
16 (Prev.yr.16) shares of USD 1 each fully paid up of BIIS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)*	1USD	16	-	16	-	16	-
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
5,59,179.690 Units of IDBI Mutual Fund - LFD1- IDBI Liquid Fund - Direct Plan- Daily Dividend		559,179.69	5,605		-		-
Total (mutual funds)			**5,605**		**-**		**3746**
Total current investments			5,605		-		3,746
Aggregate amount of quoted investments and market value thereof			-		-		-
Aggregate amount of unquoted investments			5,605		-		3,746
Aggregate amount of impairment in the value of investments			-		-		-
Investments carried at fair value through Profit and Loss			**5,605**		**-**		**3,746**

* Shares have pledged to banks against loans given by them

Note 6(e): Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade Receivable*	81,827	85,844	90,685
Less: Allowance for doubtful debts	20,969	19,974	22,502
Total receivables	**60,858**	**65,870**	**68,183**
Current Portion	60,858	65,870	68,183
Non Current Portion	-	-	-

Break up of above details

Particulalrs	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured, considered good	7,819	5,081	4,437
Unsecured, considered good	56,372	63,984	69,807
Unsecured, considered Doubtful	17,636	16,779	16,441
Total	**81,827**	**85,844**	**90,685**
Less: Allowance for doubtful debts	20,969	19,974	22,502
Total trade Receivables	**60,858**	**65,870**	**68,183**

*Significant Receivables from related parties (refer note 31)

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Note 6(f): Cash and cash equivalents

Particulars	As at 31 March 2018	As at31 March 2017	As at 1 April 2016
Balances with banks			
- in current accounts	4,910	7,990	8,410
- in current account with repatriation restrictions	10	16	13
- in deposits account with original maturity of less than three months	21,139	49,114	41,250
Cash on hand	-	3	9
Total cash and cash equivalents	**26,059**	**57,123**	**49,682**

Note 6(g): Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2018	As at31 March 2017	As at 1 April 2016
Earmarked Balance with Bank towards unpaid dividend	20	27	46
Margin money for Bank Guarantee	14	14	14
Other Deposits with banks*	86,919	80,401	78,804
Total Bank balances other than cash and cash equivalents	**86,953**	**80,442**	**78,864**

*Refer Note 34 for Deposits pledged with banks for Borrowings
*Fixed deposit includes unutilised funds of FPO as on 31st March 2018 is Rs 13385 lakhs (as on 31st March 2017 is Rs 29,628 lakhs and as on 1st April 2016 Rs 33,065 lakhs)

Note 7: Income Tax Assets(net)

Particulars	As at 31 March 2018	As at31 March 2017	As at 1 April 2016
Income Tax Assets(Net) *	16209	13031	13107
Total Income Tax Assets(Net)	**16209**	**13031**	**13107**

* Refer Note no. 29 for further details

Note 8: Other assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances						
Advances to employees						
i) Secured, Considered Good	-	-	-	-	-	-
ii) Unsecured, Considered Good	125	-	353	-	807	-
	125	-	353	-	807	-
Advances to Others						
i) Unsecured, Considered Good	5,910	-	6,311	-	9,559	-
ii) Unsecured, Considered Doubtful	1,697	-	1,393	-	1,404	-
	7,607	-	7,704	-	10,963	-
Less : Provision for Doubtful Advances	1,697	-	1,393	-	1,404	-
	5,910	-	6,311	-	9,559	-
(b) Others						
Excess - Gratuity Fund	-	3,243	-	5,357	-	4,436
Balances with statutory authorities						
- Cenvat Credit Receivables	91	-	3,794	-	7,701	-
- VAT receivable	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
- Service tax paid under Protest	-	3,100	-	2,925	-	767
- Advance Service Tax	198	-	1,518	-	1,064	-
- GST Receivable	12,141	-	-	-	-	-
- Predeposit with Income Tax Department	-	851	-	-	-	-
- Others	-		1,355		-	
	12,430	3,951	6,667	2,925	8,765	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)	467	-	470	-	-	-
Less : Provision for Doubtful Advances	467		-		-	
	-		470		0	
Prepaid Expenses	372	-	403	-	602	-
Others	1	727	1	826	1	832
Total other assets	**18,838**	**7,921**	**14,205**	**9,108**	**19,734**	**6,035**

Note 9: Inventories

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fuel Oil	11,653	11,521	8,558
Total inventories	**11,653**	**11,521**	**8,558**

Note 10: Assets classified as held for sale

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fleet and Container held for Sale	21	683	28
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	10
Less: Impairment loss allowance	(3)	(3)	(3)
	7	7	7
Irano Hind Shipping Co. Ltd.	39	39	39
Less: Impairment loss allowance	(39)	(39)	-
	-	-	39
Advance to Irano Hind Shipping Co. Ltd.	23	23	23
Less: Provision for Doubtful advances	(23)	-	-
	-	23	23
Total assets held for sale	**28**	**713**	**97**

a) The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano Hind Shipping Company (IHSC) and splitting the assets/liabilities of IHSC between Joint Venture partners shall be undertaken. The Company holds 49% in IHSC, a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). Substantive efforts are made to eventually dissolve the JV which is depending on geo political environment and sanctions imposed by UN which is completely beyond SCI's control. SCI shall remain committed by the decision of cabinet and therefore is making all efforts for dissolution of JV. Further, Government of India vide letter dated 08th May 2018 has advised SCI to go ahead with the dissolution of IHSC. 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 Rs 1000 lakhs. The Company has subscribed equity capital of 100000 shares of Rs 10 each amounting to Rs 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 Rs 42 (Previous year Rs 3) as impairment loss in the statement of profit and loss in FY 2016-17 . 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 36).

Note 11: Equity Share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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 2018		As at 31 March 2017		As at 1 April 2016	
	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 2018		As at 31 March 2017		As at 1 April 2016	
	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	296,942,977	63.75
2. Life Insurance Corporation of India	63,518,884	13.64	65,796,899	14.13	65,796,899	14.13
	360,461,861	**77.39**	**362,739,876**	**77.88**	**362,739,876**	**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

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 12: Other Equity

Reserves and surplus

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Capital reserve	15,205	14,298	14,298
(ii) Securities premium reserve	52,177	52,177	52,177
(iii) General reserve	553,527	552,777	543,727
(iv) Tonnage Tax Reserve	-	750	9,050
(v) Tonnage Tax Reserve Utilised	-	-	-
(vi) Retained Earnings	42,267	16,695	2,378
Total reserves and surplus	**663,176**	**636,697**	**621,630**

(i) Capital reserve

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	14,298	14,298
Add: Transfer from Retained Earnings	907	-
Less: Transferred to general reserve	-	-
Closing Balance	**15,205**	**14,298**

(ii) Securities premium account

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	52,177	52,177
Add: Premium on shares held in trust for employees under ESOS Scheme	-	-
Add: Liability pertaining to share issue expenses no longer required written back	-	-
Closing Balance	**52,177**	**52,177**

(iii) General reserve

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	552,777	543,727
Add: Transfer from Surplus in the Statement of Profit or Loss	-	-
Add: Transfer from Retained Earnings	-	-
Add: Transfer from Tonnage Tax Reserve (Utilised)	750	9,050
Less: Transfer to Statement of Profit or Loss		
Closing Balance	**553,527**	**552,777**

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(All amounts in INR lakhs, unless otherwise stated)

(iv) Tonnage Tax Reserve

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	750	9,050
Less: Transfer to Tonnage Tax Reserve (Utilised)	750	9,050
Add: Transfer from Surplus in the Statement of Profit or Loss	-	750
Closing Balance	**-**	**750**

(v) Tonnage Tax Reserve (Utilised)

Particulars	As at 31 March 2018	As at 31 March 2016
Opening balance	-	-
Add: Transfer to Tonnage Tax Reserve	750	9,050
Less: Transfer to General Reserve	750	9,050
Closing Balance	**-**	**-**

(vi) Retained Earnings

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	16,695	2,378
Add: Profit for the year	25,376	14,229
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	1,103	838
Adjustments:		
Less: Tonnage Tax Reserve	-	750
Less: Capital Reserve	907	-
Closing Balance	**42,267**	**16,695**

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.

Note 13: Financial liabilities

Note 13(a): Long-term borrowings

Particulars		As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
		Non Current	Current*	Non Current	Current*	Non Current	Current*
Secured							
Term Loans:							
Rupee loans from banks	A	-	-	-	842	843	1,729
Foreign currency loans from banks	B	278,622	100,439	307,763	143,204	454,776	127,128
Total	C	**278,622**	**100,439**	**307,763**	**144,046**	**455,619**	**128,857**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars		As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
		Non Current	Current*	Non Current	Current*	Non Current	Current*
Unsecured							
Term Loans:							
Rupee loans from banks	A	-	-	-	-	-	-
Foreign currency loans from banks	B	52,035	-	-	-	-	-
Total	C	**52,035**	**-**	**-**	**-**	**-**	**-**
Long-term borrowings		330,657	100,439	307,763	144,046	455,619	128,857

Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	90,630	92,722	33,688	61,582

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Unsecured Loans	29,270	-	3,252	19,513

* 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 34.

Note 13(b): Other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Financial Liablilities at amortised cost						
Security Deposits	627	94	1,038	38	959	9
Current maturities of long-term debt	100,439	-	144,046	-	128,857	-
Interest accrued but not due on borrowings	3,236	-	3,272	-	3,033	-
Unpaid Dividend	20	-	27	-	46	-
Others						
Other Deposits payable	1,898	-	428	-	348	-
Employee related Liabilities	6,704	-	7,058	-	9,520	-
Others	3,702	-	4,279	-	2,510	-
Total other financial liabilities	**116,626**	**94**	**160,148**	**38**	**145,273**	**9**

Note 13(c): Current borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured*			
from Banks repayable on demand			
Rupee loans from banks	-	19,600	-
Foreign currency loans from banks	127,441	77,820	-
Total Current borrowings	**127,441**	**97,420**	**-**

*The carrying amounts of financial assets pledged as security are disclosed in note 34.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Statement of changes in liabilities for which cash flows have been classified as Financing Activities

	Liabilities from Financing Activities		
	Long Term borrowings	**Short Term borrowings**	**Total**
Net debt as at 1st April 2017	454,921	19,760	474,681
Cash flows	(19,896)	28,982	9,086
Foreign Exchange adjustments	(817)	1,039	222
Interest expense	17,329	498	17,827
Interest Paid	(17,206)	(657)	(17,863)
Net debt as at 31st March 2018	**434,331**	**49,622**	**483,953**

Note 13(d): Trade payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables			
i) Dues of Micro, Small and Medium Enterprises	2,579	1,585	515
ii) Others *	95,787	113,571	109,322
Total trade payables	**98,366**	**115,156**	**109,837**

* Significant Payable from related parties (refer note 31)

Disclosure requirement under MSMED Act, 2006

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Principal amount remaining unpaid to suppliers at the end of the period	2,579	1,585	515
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 14: Provisions

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provision for leave encashment	453	4,828	554	5,085	635	5,068
Post Retirement Medical Scheme	-	4,176	-	3,489	502	3,828
Pension	-	-	-	-	-	5,663
	453	**9,004**	**554**	**8,574**	**1,137**	**14,559**
Other Provisions						
Foreign Taxation*	-	-	-	-	1,440	-
Insurance & cargo claims**	479	-	414	-	974	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Losses on unfinished voyage***	-	-	-	-	1,089	-
	479	**-**	**414**	**-**	**3,503**	**-**
Total	**932**	**9,004**	**968**	**8,574**	**4,640**	**14,559**

Short term provision	As at 31st March 2017	Provided during the year	Utilised during the year	Amount reversed	As at 31st March 2018
Other Provisions					
Insurance & cargo claims**	414	860	109	686	479
	414	**860**	**109**	**686**	**479**

* 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 15: Deferred Tax Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax -upward valuation of PPE	10,395	38,822	39,447
Deferred Tax Liabilities(Net)	**10,395**	**38,822**	**39,447**

Note 16: Other current liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Deferred Trade Receivable	1,894		4,843		2,216	
Advances and Deposits	10,773	-	8,429	-	10,511	-
Others						
Employee Related Liabilities	926	-	1,778	-	2,182	-
Statutory dues	635	-	1,142	-	862	-
Others Current Liabilities	25	-	3	-	6	-
Subsidy for Passenger service (Myanmmar)	-	-	-	-	99	-
Subsidy for Bangladesh-Myanmmar & Srilanka**	1,932	-	-	-	-	-
Total other current liabilities	**16,185**	**-**	**16,195**	**-**	**15,876**	**-**

* This pertains to India Myanmmar Service started on 02.10. 2014 on the directions of Ministry of Shipping. The service was completed on Nov 2016.
"**This pertains to grant received of Rs.1900 lakhs on 22nd Nov 2017 towards new service from India to Bangladesh-Myanmmar and Sri Lanka- Maldives. SCI is awaiting directions from Ministry to start the service.

Note 17: Current Tax Liabilities(Net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for tax (net of advance tax)	1,330	1,137	2,614
Deferred Tax Liabilities(Net)	**1,330**	**1,137**	**2,614**

Note 18: Liabilities directly associated with assets classified as held for sale

Particulars	31 March 2018	31 March 2017	1 April 2016
Other current liabilities	19,280	19,223	18,356
Total Liabilities of disposal held for sale	**19,280**	**19,223**	**18,356**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 19: Revenue from operations

Particulars	31 March 2018	31 March 2017
Freight	239,901	244,582
Charter Hire	65,465	72,615
Demurrage	13,759	14,631
Contract Revenue:		
Core shipping activities	431	154
Incidental activities	5,424	4,975
Reimbursement of expenses*	12,091	3,815
Total	**337,071**	**340,772**

*Refer note no 41.

Note 20: Other Operating Revenue

Particulars	31 March 2018	31 March 2017
Training & Consultancy fee	2,702	2,123
Sundry Receipts (Core)	367	54
Sundry Receipts (Incidental)	71	120
Excess Provisions & Unclaimed Credit Written Back	4,500	642
Recovery of Insurance & PI Claims	2,236	1,024
Total	**9,876**	**3,963**

Note 21: Other Income

Particulars	31 March 2018	31 March 2017
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	5,433	7,557
b) Loans to Employees	171	174
c) Loans to Joint Venture (Refer Note no.31)	1,674	2,086
d) Others	1,352	827
Dividend From Mutual Fund	205	44
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	5,112	572
b) Sale of Other Fixed Assets	38	231
Profit on sale of bunker	181	74
Net gain on Foreign Currency Transaction / Translation	-	223
Gain or Loss on Fair valuation of investment	19	-
Reversal of Foreign Tax	-	1,338
Provision written back	546	1,323
Other Miscellaneous Income	69	74
Total	**14,800**	**14,523**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 22: Cost of services rendered

Particulars	31 March 2018	31 March 2017
Direct Operating Expenses :		
Agency Fees	1,717	1,543
Brokerage	2,483	2,200
Commission	827	725
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses on Joint Sector Container Services (Net)	18,036	17,279
Marine, Light And Canal Dues	43,557	36,456
Fuel Oil (Net)	85,712	65,718
Water Charges	625	615
Manning expenses	2,822	3,146
Honorarium Charges	519	524
Hire of Chartered Steamers	23,955	43,288
Other Indirect Operating Expenses		
Transfer and Repatriation and Other Benefits	158	224
Stores & Spares *	16,184	16,197
Sundry Steamer Expenses	2,233	2,334
Repairs and Maintenance and Survey Expenses	15,449	18,700
Insurance and Protection , Indemnity Club Fees & Insurance Franchise	6,365	7,244
Provision for Off Hire Etc.	1,662	1,606
Total	**222,304**	**217,799**

*includes amount of Rs. 1106 lakhs (Previous Year Rs 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.

Note 23: Employee benefit expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A) Floating staff		
Wages, Bonus and Other Expenses on Floating Staff	26,583	26,777
Gratuity	247	110
Contribution to Provident Fund	339	315
B) Shore Staff		
Salaries, Wages, Bonus etc	16,017	12,867
Gratuity	3,078	25
Contribution to Provident & Other Funds*	1,035	(24)
Contribution to Pension	1,032	1,393
C) Staff welfare expenses	21	94
D) Remuneration to Directors	240	258
Total	**48,592**	**41,815**

* Amount of ₹ (24) lakhs for the year ended 31st March 2017 includes refund of excess contribution given to PF Trust.

Note 24: Finance costs

Particulars	31 March 2018	31 March 2017
Interest on:		
- Rupee term loans	1,281	1,293

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
- Foreign currency loans	16,070	14,652
- Others	476	1,082
Other borrowing costs	151	188
Total	**17,978**	**17,215**

Note 25: Depreciation and amortisation expense

Particulars	31 March 2018	31 March 2017
Depreciation on property, plant and equipment	61,014	56,566
Amortisation of Intangible Assets	11	41
Total	**61,025**	**56,607**

Note 26:Other expenses

Particulars	31 March 2018	31 March 2017
Power & Fuel	439	595
Rent	269	316
Repairs and Maintenance		
- Building	640	727
- Others	1,293	1,374
Insurance	98	85
Rates and Taxes	101	189
Auditors' Remuneration *(Detail in Note no 26(a))	65	60
Establishment Charges	2,017	2,183
Advertisement & Publicity	97	394
Legal & professional	1,012	988
Postage,Telephone Telegram & Telex***	(71)	140
Printing & stationery	130	156
Training, Seminar & Conference Fee	27	6
Travel & Conveyance	270	470
Directors' Sitting Fees	13	10
Directors' Travel Expenses	29	45
Debts / Advances written off	525	7
Interest and Penalties	3	36
Bank Charges	32	111
Service tax ineligible for CENVAT	389	261
CSR Expenditure**(Detail in Note no 26(b))	311	157
Net loss on Foreign Currency Transaction / Translation	187	-
Loss of Asset (Detail in Note no 39)	486	-
Provisions		
Provision for Doubtful Debts and Advances	511	(1,099)
Foreign Taxation	27	(4)
Provision for loss on unfinished voyage	-	-
Loss allowances on Financial Assets	-	39
Total	**8,900**	**7,246**

*** Amount of Rs (71) lakhs for the year ended 31st March 2018 includes recovery of telephone expenses from floating staff.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 26(a):

Details of payments to auditors	31 March 2018	31 March 2017
Payment to auditors		
Statutory auditors		
a) Audit fees	32	31
b) Certification Work	29	22
c) Travelling & Out of Pocket Expenses	4	7
Total	**65**	**60**

Note 26(b): Corporate social responsibility expenditure

31 March 2018	
Particulars	**Total**
Gross amount required to be spent by the Company during the year	585
Amount spent and paid during the year on	169
(a) Construction/acquisition of any asset	80
(b) On purpose other than (a) above	89
Total	**169**
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	316
(a) Construction/acquisition of any asset	219
(b) On purpose other than (a) above	97
Total	**316**

Note 27: Earnings per share

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company (A)	25,375	14,228
Basic and Diluted earnings per share attributable to the equity holders of the company (A/B)	5.45	3.05

Particulars	31 March 2018 No. of shares	31 March 2017 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Note 28: Contingent Liabilities and Commitments

(a) Contingent Liabilities

Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	**Claims against the company not acknowledged as debts**			
	a) State Governments/ Local Authorities	1,471	1531	3193
	b) CPSEs	1,348	2507	2425
	c) Central Government Departments			
	a) Income Tax & Sales Tax*	25,522	19,306	19,306
	b) Service Tax*	163,072	163,056	97,108
	c) Others	-	250	250
	d) Others	21,437	20798	29536
II.	**Guarantees given by the Banks**			
	On behalf of the company	2,333	3,352	4,907
	On behalf of Joint Venture to the extent of the company's share	4,659	6,197	7,183
III.	**Undertaking cum Indemnity given by Company**	nil	nil	nil
IV.	**Cargo claims covered by P&I Club**	nil	78	4779
V.	**Bonds/Undertakings given by the Company to Customs Authorities**	40329	28756	28341
VI.	**Corporate Guarantees/Undertakings**			
	a) In respect of Joint ventures	Not Ascertained	Not Ascertained	Not Ascertained
	b) Others	3898	3616	3957

(b) Contingent Assets

Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	Claims by the Company not acknowledged as asset			
	a) State Governments/ Local Authorities	nil	nil	nil
	b) CPSEs	nil	nil	nil
	c) Central Government Departments	150	nil	nil
	d) Others	545	nil	nil

(c) Commitments

Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	1656	30456	nil
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	nil	5017

Note: Status of contingent Liabilty with reference to the opening balance as on 01-04-2017
There is a reduction of Rs 554.97 lakhs from opening balance in cases of Central Government Departments
There is a reduction of Rs 1850.50 lakhs from opening balance in cases of CPSE
There is a reduction of Rs 94.75 lakhs from opening balance in cases of Local Authority
There is a reduction of Rs 319.23 lakhs from opening balance in cases of others
* The contingent Liability includes cases decided in favour of SCI amounting to Rs 14800 lakhs. Thereafter, department have gone in appeal.

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Note 29: Income taxes
The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

(a) Deferred Tax

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax relates to the following:			
Upward fair valuation of PPE	10,395	38,822	39,447
Net Deferred Tax Liabilities	**10,395**	**38,822**	**39,447**

Reason for decrease in Deferred Tax Liability(DTL)
As per the requirement of section 55(2(b)(i) of Income Tax Act,1961 "where the capital asset became the property of the assessee before the [1st day of April, [2001]], means the cost of acquisition of the asset to the assessee or the fair market value of the asset on the [1st day of April, [2001]], at the option of the assessee."
Accordingly, SCI has opted to choose the fair market value of the asset as on 01.4.2001 as its cost of acquisition which has resulted into decrease in capital gain tax liability.

(b) Movement in deferred tax liabilities

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	**38,822**	**39,447**
Tax income/expense during the period recognised in profit or loss	28,427	(625)
Closing balance as at March 31	**10,395**	**38,822**

(c) Income tax recognised in profit or loss

Particulars	31 March 2018	31 March 2017
Income tax expense		
Current tax		
Current tax on profits for the year	6,000	6,105
Deferred tax	(28,427)	(625)
MAT Credit adjusted	-	(1,132)
Income tax expense	**(22,427)**	**4,348**

(d) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2018	31 March 2017
Profit before income tax expense	2,948	18,576
Less: Income subject to tonnage taxation	(15,481)	2,666
Profit before tax, adjusted	**18,429**	**15,910**
Tax computed using statutory tax rate of 34.61 %	6,378	5,506
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Impact of tonnage tax scheme	1,053	1,086
Difference in tax gains and book gains (Capital gains)	(1,769)	-
Exempt income - Dividend from mutual funds	(71)	(15)
Deferred tax not recognised due to tonnage tax scheme	-	-
MAT credit utilised for the year	-	(1,132)
Reversal of Deferred Tax Liability	-	(625)
Others	409	(177)
Income tax expense	**6,000**	**4,644**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(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 2018	31 March 2017
Opening balance	-	-
Add: Current tax payable for the year	6,000	6,105
Less: Taxes paid	(6,000)	(6,105)
Closing balance	**-**	**-**

Note 30: Correction of errors in accounting

In order to decide materiality for determining prior period items as per Ind AS 8, the Company has fixed various thresholds limits for different category of items / transactions depending on the size and nature of amount.

On the basis of various threshold limits for determining prior period items for FY 2017-18, the errors mentioned below are in nature of "Remaining items" i.e., other category item for which transaction level limit decided is Rs 10 lakhs for each item and overall limit is Rs 1 crore for each item.

Due to error and omissions, during the year 2017-18, few expenses/income incurred/receivable on behalf of managed vessels/owned were not correctly booked. The provision for deferred tax liability in previous year was miscalculated due to misinterpretation of letter of allotment of land.

The errors have now been corrected by restating each of the affected Financial Statement line items for the prior years

Balance Sheet (Extract)	31-03-2017 (as Previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)	31-Mar-16	Increase/ (Decrease)	1 April 2016 (Restated)
Other Current financial assets	15,940	1,026	16,966	10,056	172	10,228
Financial Trade payables	(113,645)	74	(113,571)	(109,396)	74	(109,322)
Other Current Financial Liabilities	(160,048)	(100)	(160,148)	(145,173)	(100)	(145,273)
Deferred tax liabilities	(34,362)	(4,460)	(38,822)	(35,163)	(4,284)	(39,447)
Net Assets	686,737	(3,460)	683,277	672,350	(4,138)	668,210
Retained Earnings	686,737	(3,460)	683,277	672,350	(4,138)	668,210
Total Equity	686,737	(3,460)	683,277	672,350	(4,138)	668,210

Statement of Profit & Loss (Extract)	31-03-2017 (as Previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)
Revenue from operations	344,687	48	344,735
Employees Benefit Expense	42,619	(804)	41,815
Profit/(loss) before tax	17,724	852	18,576
Tax expense:			
(1) Current tax	6,105	-	6,105
(2) Deferred tax	(801)	176	(625)
Mat Credit adjusted	(1,132)	-	(1,132)

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Statement of Profit & Loss (Extract)	31-03-2017 (as Previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)
Total Tax Expense	4,172	176	4,348
Profit/(Loss) for the year	13,552	676	14,228
Other Comprehensive Income/(Loss) for the year	838	-	838
Total Comprehensive Income/(Loss) for the year	14,390	676	15,066
Earning Per share			
Basic earnings per share	2.91	0.15	3.05
Diluted earnings per share	2.91	0.15	3.05

Statement of Cash flows (Extract)	31-03-2017 (as Previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)
Net cash inflow from operating activities	68,200	51	68,251
Net cash (outflow) from investing activities	(8,535)	(52)	(8,587)

Note 31: 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
2. Smt H.K Joshi
3. Shri S.V Kher
4. Shri Bipin Bihari Sinha (Resigned w.e.f. 12.08.2017)
5. Shri Sarveen Narula (Superannuated on 31.07.2017)
6. Smt. Sangeeta Sharma (w.e.f. 29.12.2017)
7. Shri Rajesh Sood (w.e.f. 29.12.2017)
8. Shri Surinder Pal Singh Jaggi (w.e.f. 24.04.2018)
9. Shri Dipankar Haldar

Non Executive Director

1. Shri Pradeep Kumar (ceases to be on the Board of SCI w.e.f. 27.07.2017)
2. Shri Pravir Krishn (ceases to be on the Board of SCI w.e.f. 25.07.2017)
3. Smt. Leena Nandan (w.e.f. 03.08.2017)
4. Shri Satinder Pal Singh (w.e.f. 28.08.2017)
5. Shri Arun Balakrishnan
6. Shri Sukamal Chandra Basu
7. Shri Gautam Sinha (w.e.f. 29.09.2017)
8. Shri Raj Kishore Tewari (w.e.f. 29.09.2017)
9. Shri P. Kanagasabapathi (w.e.f. 20.11.2017)

NOTES TO STANDALONE FINANCIAL STATEMENTS

(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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
1. Shri A.K.Sharma	36	15	4	2	-	-	-	-
2. Shri B.B. Sinha	39	36	2	18	-	-	-	-
3. Shri S.Narula	30	28	2	18	-	-	-	-
4. Shri S.V Kher	49	30	7	17	-	-	-	-
5. Smt H.K Joshi	48	26	7	7	-	-	-	-
6. Shri K.Devadas(Retired on 28.02.2017)	-	47	-	17	-	-	-	-
7. Smt. Sangeeta Sharma (w.e.f. 29.12.2017)	8	-	2	-	-	-	-	-
8. Shri Rajesh Sood (w.e.f. 29.12.2017)	8	-	2	-	-	-	-	-
9. Shri Dipankar Haldar	37	26	6	17	-	-	-	-
Total	**255**	**210**	**32**	**95**	-	-	-	-

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 2018	31 March 2017
1)	Interest Income	1,674	2,086
2)	Interest receivable	100	305
3)	Expenses Reimbursed	37	77
4)	Management &Accounting fees earned	1,670	1,476
5)	Guarantee fees received	54	61
6)	Interest Charged	-	(1,221)
7)	Investment made during the year	-	4,631
8)	Loans realised during the year	3,196	2,155
9)	Guarantees Given for JVS	6,762	6,197
10)	Loans Given during the year	-	386
11)	Interest amount compounded in to principal	25	47
	Outstanding Balances		
1)	Investments	7,408	7,408
2)	Loan Balances	23,325	26,421
3)	Payable on account of Ship	19,280	19,223

(f) Transactions with Subsidiary

Nature of Transactions	31 March 2018	31 March 2017
Investment made during the year	0	5
Investment at the year end	5	5
Expenses incurred on behalf	0.23	9
Receivable as at year end	9.56	9

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

(g) Transactions with Government related entities

Significant Transactions

Government related entities along with description of relationship wherein significant amount of transaction carried out:

Name of Government related entity	Relation	Nature of transaction	31 March 2018	31 March 2017
Indian Oil Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	45,001	46,038
Hindustan Petroleum Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	52,067	71,232
Bharat Petroleum Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	19,406	22,559
Oil And Natural Gas Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	12,340	17,880
Mangalore Refinery and Petrochemicals Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	25,756	35,953
Chennai Petroleum Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	12,418	10,413
Poompuhar Shipping Corporation Limited	State PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	7,998	1,837
Indian Oil Corporation Limited	Central PSU	Purchases of Bunker, Oil etc.	12,239	9,962
Hindustan Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc.	11,710	8,738
Bharat Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc.	2,754	3,080
Indian Oil Corporation Limited	Central PSU	Trade Receivable	7,455	3,367
Hindustan Petroleum Corporation Limited	Central PSU	Trade Receivable	6,317	3,371
Bharat Petroleum Corporation Limited	Central PSU	Trade Receivable	2,643	2,245
Oil And Natural Gas Corporation Limited	Central PSU	Trade Receivable	5,752	15,847
Poompuhar Shipping Corporation Limited	State PSU	Trade Receivable	7,165	3,339
Mangalore Refinery and Petrochemicals Limited	Central PSU	Trade Receivable	1,246	3,394
Chennai Petroleum Corporation Limited	Central PSU	Trade Receivable	1,133	563
Indian Oil Corporation Limited	Central PSU	Trade Payable	675	157
Hindustan Petroleum Corporation Limited	Central PSU	Trade Payable	596	387
Bharat Petroleum Corporation Limited	Central PSU	Trade Payable	286	171
Vizag Port Trust	Trust under MPT Act	Trade Payable	5,917	4,233
Cochin Port Trust	Trust under MPT Act	Trade Payable	4,609	2,412

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Other than Significant Transactions

Particulars	31 March 2018	31 March 2017
Revenue	45,689	13,799
Purchases/services	37,305	8,775
Trade Receivable	1,797	1,335
Trade Payable	20,297	13,450

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 2018	31 March 2017
Sitting Fees	13.4	10

Note 32: 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 age of the vessel i.e., (Built year - Current year) + 1.

(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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

EBIT	31 March 2018	31 March 2017
Liner	7,966	(9,554)
Bulk	(631)	(20,425)
Tanker	(4,796)	47,397
T&OS	2,833	3,036
Others	1,478	1,329
Unallocated	5,446	3,364
Total adjusted EBIT	**12,296**	**25,147**

Adjusted EBIT reconciles to profit before income tax as follows:

	31 March 2018	31 March 2017
Total adjusted EBIT	12,296	25,147
Finance costs :		
Liner	231	285
Bulk	4,417	6,398
Tanker	6,178	6,562
T&OS	2,239	2,462
Others	-	-
Unallocated	4,913	1,508
Total Finance costs	17,978	17,215
Interest income from investments	8,630	10,644
Profit before income tax from continuing operations	**2,948**	**18,576**

Depreciation included in adjusted EBIT

	31 March 2018	31 March 2017
Liner	1,830	1,777
Bulk	10,273	9,805
Tanker	41,770	38,847
T&OS	7,152	6,178
Others	-	-
Unallocated	-	-
Total Depreciation included in adjusted EBIT	**61,025**	**56,607**

(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 2018			31 March 2017		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	67,638	-	67,638	44,590	-	44,590
Bulk	41,394	-	41,394	20,641	-	20,641
Tanker	213,135	-	213,135	258,010	-	258,010
T&OS	22,746	-	22,746	19,631	-	19,631

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Revenue from external customers	31 March 2018			31 March 2017		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Others	2,034	-	2,034	1,863	-	1,863
Total Segment Revenue	346,947	-	346,947	344,735	-	344,735
Unallocated	5,982	-	5,982	3,879	-	3,879
Total segment revenue as per profit and loss	**352,929**	**-**	**352,929**	**348,614**	**-**	**348,614**

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2018 and 31st March 2017 were as follows:

Reveneue from external customers	31 March 2018			31 March 2017		
	Tanker segemnt	Liner Segment	Total	Tanker segemnt	Liner Segment	Total
Hindustan Petroleum Corporation Ltd.	52,058	9	52,067	71,164	68	71,232
Indian Oil Corporation Ltd	43,888	1,113	45,001	45,439	599	46,038
Mangalore Refinery And Petrochemicals Ltd	25,756	-	25,756	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 2018	31 March 2017
India	273,756	262,713
Singapore	21,343	30,216
Other Countries	51,848	51,806
Total	**346,947**	**344,735**

(e) Segment assets

Segment	31 March 2018		31 March 2017		1 April 2016	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	66,963	-	56,023	-	46,343	-
Bulk	179,920	-	175,174	-	183,100	-
Tanker	663,899	-	662,388	-	705,685	-
T & OS	155,810	-	148,613	-	131,366	-
Others	891	-	747	-	580	-
Total segment assets	**1,067,483**	**-**	**1,042,945**	**-**	**1,067,074**	**-**
Unallocated	372,583	-	405,776	-	407,366	-
Total assets as per the Balance Sheet	**1,440,066**	**-**	**1,448,721**	**-**	**1,474,440**	**-**

(f) Segment liabilities

Segment	31 March 2018	31 March 2017	1 April 2016
Liner	116,274	78,125	81,061
Bulk	23,413	18,206	10,470

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Segment	31 March 2018	31 March 2017	1 April 2016
Tanker	56,939	74,701	69,406
T&OS	24,719	26,658	16,509
Others	680	577	473
Total segment liabilities	**222,025**	**198,267**	**177,919**
Unallocated:	508,285	567,177	628,311
Total liabilities as per the Balance Sheet	**730,310**	**765,444**	**806,230**

Note 33: 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 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)

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Benefit payments	(1,329)	(1,329)	-
(ii) 31/03/2017	**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)	-	208	(208)
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	1,042	1,042
Total amount recognised in other comprehensive income [(i) & (iv)]	**(537)**	**454**	**(991)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2017 [(ii), (iii) & (iv)]	**-**	**-**	**(5,359)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2017	9,422	15,823	(6,401)
Current service cost	544	-	544
Past service cost	3,070	-	3,070
Interest expense/(income)	713	1,123	(410)
Total amount recognised in profit and loss	**4,327**	**1,123**	**3,204**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(374)	374
(Gain)/loss from change in financial assumptions	(321)	-	(321)
Experience (gains)/losses	(99)	-	(99)
(i) Amount recognised in other comprehensive income	(420)	(374)	(46)
Employer contributions			
Benefit payments	(1,101)	(1,101)	-
Unrecognised Asset due to Limit in Para 64(b)			-
(ii) 31 March 2018	**12,228**	**15,471**	**(3,243)**
(iii) Unrecognised Asset at the beginning of the period	-	1,042	1,042
(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)]	-	-	-
Total amount recognised in other comprehensive income [(i) & (iv)]	**(420)**	**668**	**(1,088)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2018 [(ii) + (iii)+ (iv)]			**(3,243)**

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 2018	31 March 2017	1 April 2016
Present value of funded obligations	12,228	9,422	10,037
Fair value of plan assets	15,471	15,823	15,722
Deficit of funded plan	**(3,243)**	**(6,401)**	**(5,685)**
Unrecognised Asset due to Limit in Para 64(b)		1,042	1,250
Deficit of gratuity plan	**(3,243)**	**(5,359)**	**(4,435)**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions
The significant actuarial assumptions were as follows:
Principal Assumptions at the Balance Sheet date:

Financial Assumptions	31-Mar-18	31-Mar-17	01-Apr-16
Discount Rate	7.87%	7.35%	7.85%
Salary Escalation Rate	7.50%	7.50%	7.50%
Expected Return on Assets	7.87%	7.35%	7.85%
Demographic Assumptions	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
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	58/60 years	58/60 years	58/60 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-18	31-Mar-17
Defined Benefit Obligation (Base)	12228.00	9422.00

Sensitivity Analysis	31-Mar-18		31-Mar-17	
Table 14 : Sensitivity Analysis	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	684	614	9901.00	8997.00
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	491	549	9105.00	9780.00

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	31-Mar-17 to 31-Mar-18	31-Mar-16 to 31-Mar-17
Unrecognised Asset, Beginning of Period	1042	1250
Asset recognised during the year	1042	208
Unrecognised Asset, End of Period	-	1042

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-18				31-Mar-17				1-Apr-16			
	Quoted	**Un-quoted**	**Total**	**in %**	**Quoted**	**Un-quoted**	**Total**	**in %**	**Quoted**	**Un-quoted**	**Total**	**in %**
Government of India Securities	5,016	-	5,016	32%	6,644	-	6,644	42%	5,898	-	5,898	37%
Debt instruments												
Investment in Bonds	1,893	-	1,893	12%	1,956	-	1,956	12%	3,872	-	3,872	25%

NOTES TO STANDALONE FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

	31-Mar-18				31-Mar-17				1-Apr-16			
	Quoted	Un-quoted	Total	in %	Quoted	Un-quoted	Total	in %	Quoted	Un-quoted	Total	in %
Other Assets including accrued interest	491	249	740	5%	243	347	590	4%	42	404	446	3%
Investment in Deposits including Bank Balance	-	7822	7,822	51%	-	6633	6,633	42%	-	5506	5,506	35%
Total	**7,400**	**8,071**	**15,471**	**100%**	**8,843**	**6,980**	**15,823**	**100%**	**9,812**	**5,910**	**15,722**	**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 ₹ 749 lakhs (Prev. period ₹ 1430 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.

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 17.15 years (2017 – 17.78 years).

(C) Leave Encashment (Unfunded)
Balance Sheet amount (Leave Encashment)

Particulars	Present value of obligation
1 April 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**

Particulars	Present value of obligation
31 March 2017	5,638
Current service cost	317
Interest expense/(income)	406
Actuarial (Gain)/loss from change in financial assumptions	(145)
Actuarial - Experience (gains)/losses	1,854
Total amount recognised in profit and loss	**2,432**
Benefit payments*	(2,789)
31 March 2018	**5,281**

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

The net liability disclosed above relates to unfunded plan are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of unfunded obligations	5,281	5,638	5,702
Deficit of leave encashment plan	**5,281**	**5,638**	**5,702**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the Balance Sheet date:

Financial Assumptions	31-Mar-18	31-Mar-17	01-Apr-16
Discount Rate	7.87%	7.35%	7.85%
Salary Escalation Rate	7.50%	7.00%	7.50%
Demographic Assumptions	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
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	58/60 years	58/60 years	58/60 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-18		31-Mar-17	
Defined Benefit Obligation (Base)	5,281		5,638	
Sensitivity Analysis	**31-Mar-18**		**31-Mar-17**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	311	276	5869	5424
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	215	223	5423	5868

The weighted average duration of the defined benefit obligation is 17.15 years (2017 – 17.78 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	Fair value of plan assets	Net amount
1 April 2016	2,159	-	2,159
Interest expense/(income)	150	-	150
Total amount recognised in profit and loss	150	-	150
Remeasurements			

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Experience (gains)/losses	153	-	153
Total amount recognised in other comprehensive income	**153**	**-**	**153**
Employer contributions Benefit payments	- (147)	1,482 (147)	(1,482) -
31 March 2017	2,315	1,335	980

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2017	2,315	1,335	980
Past service cost	306	-	306
Interest expense/(income)	170	90	80
Total amount recognised in profit and loss	476	90	386
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(110)	110
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(44)		(44)
Experience (gains)/losses	(81)	-	(81)
Total amount recognised in other comprehensive income	(125)	(110)	(15)
Employer contributions	-	-	-
Benefit payments	(224)	(224)	-
31 March 2018	2,442	1,091	1,351

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of funded obligations	2,442	2,315	2,159
Fair value of plan assets	1,091	1,335	-
Deficit of funded plan	**1,351**	**980**	**2,159**
Deficit of Post Retirement Medical Benefit Scheme plan	**1,351**	**980**	**2,159**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Financial Assumptions	31-03-18	31-03-17	01-04-16
Discount Rate	7.79%	7.35%	7.85%
Expected Return on Assets	7.79%	7.35%	-
Demographic Assumptions	**31-03-18**	**31-03-17**	**01-04-16**
Mortality Table	LIC (1996-98) Ult (Annuitant)	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		

NOTES TO STANDALONE FINANCIAL STATEMENTS

(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:

Sensitivity Analysis	31-03-18		31-03-17	
Defined Benefit Obligation (Base)	2442		2315	
Table 12: Sensitivity Analysis	31-03-18		31-03-17	
	Decrease	Increase	Decrease	Increase
Discount Rate Impact of increase/decrease in 50 bps on DBO	51	46	2,359	2,273

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-18				31-Mar-17			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	0	1085	1085	99%	0	1326	1326	99%
Other Assets including accrued interest	0	6	6	1%	0	9	9	1%
Total	-	1,091	1,091	100%	-	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 10.21 years (2017 – 17.78 years).

Note 34: Assets pledged as security

	Notes	31 March 2018	31 March 2017	1 April 2016
Current				
Financial Assets				
Other bank balances	6(g)	12,348	36,716	24,910
Non-current investments	6(a)	7359	7359	2728
Total current assets pledged as security		19,707	44,075	27,638
Non-current				
Plant and Equipment	3	757,633	812,897	826,230
Total non-current assets pledged as security		757,633	812,897	826,230
Total assets pledged as security		777,340	856,972	853,868

Note 35: 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, 2018, March 31, 2017 and April 1, 2016. The column 'net amount' shows the impact on the Company's Balance Sheet if all set-off rights were exercised.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(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
March 31, 2018						
Financial assets						
i. Investments	13,087	-	13,087	-	-	13,087
ii. Trade receivables	60,858	-	60,858	-	-	60,858
iii. Cash and cash equivalents	26,059	-	26,059	-	-	26,059
iv. Bank balances other than (iii) above	86,953	-	86,953	-	12,348	74,605
v. Loans	25,503	-	25,503	-	-	25,503
vi. Other financial assets	37,376	-	37,376	-	-	37,376
Total	**249,836**	**-**	**249,836**	**-**	**12,348**	**237,488**
Financial liabilities						
i. Borrowings	458,098	-	458,098	-	-	458,098
ii. Trade payables						
Micro, Small and Medium Enterprises	2,579	-	2,579	-	-	2,579
Others	95,787	-	95,787	-	-	95,787
iii. Other financial liabilities	116,720	-	116,720	-	-	116,720
Total	**673,184**	**-**	**673,184**	**-**	**-**	**673,184**
March 31, 2017						
Financial assets						
i. Investments	7,463	-	7,463	-	-	7,463
ii. Trade receivables	65,870	-	65,870	-	-	65,870
iii. Cash and cash equivalents	57,123	-	57,123	-	-	57,123
iv. Bank balances other than (iii) above	80,442	-	80,442	-	36,716	43,726
v. Loans	28,446	-	28,446	-	-	28,446
vi. Other financial assets	16,998	-	16,998	-	-	16,998
Total	**256,342**	**-**	**256,342**	**-**	**36,716**	**219,626**
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	113,571	-	113,571	-	-	113,571
iii. Other financial liabilities	160,186	-	160,186	-	-	160,186
Total	**680,525**	**-**	**680,525**	**-**	**-**	**680,525**
April 1, 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

(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
v. Loans	30,567	-	30,567	-	-	30,567
vi. Other financial assets	10,319	-	10,319	-	-	10,319
Total	**244,188**	**-**	**244,188**	**-**	**24,910**	**219,278**
Financial liabilities						
i. Borrowings	455,619	-	455,619	-	-	455,619
ii. Trade payables						
Micro, Small and Medium Enterprises	515	-	515	-	-	515
Others	109,322	-	109,322	-	-	109,322
iii. Other financial liabilities	145,282	-	145,282	-	-	145,282
Total	**710,738**	**-**	**710,738**	**-**	**-**	**710,738**

Note 36: Fair value measurements

Financial instruments by category

	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments									
- Equity instruments	118	-	-	99	-	-	99	-	-
- Mutual funds	5,605	-	-	-	-	-	3,746	-	-
- Government securities	-	-	-	-	-	-	-	-	-
Loans	-	-	25,503	-	-	28,446	-	-	30,567
Trade receivables	-	-	60,858	-	-	65,870	-	-	68,183
Cash and cash equivalents	-	-	26,059	-	-	57,123	-	-	49,682
Other bank balances	-	-	86,953	-	-	80,442	-	-	78,864
Bank deposits with more than 12 months maturity	-	-	87	-	-	20	-	-	79
Other financial assets	-	-	37,289	-	-	16,978	-	-	10,240
Total financial assets	**5,723**	**-**	**236,749**	**99**	**-**	**248,879**	**3,845**	**-**	**237,615**
Financial liabilities									
Borrowings	-	-	458,098	-	-	405,183	-	-	455,619
Trade payables	-	-	98,366	-	-	115,156	-	-	109,837
Current maturities of long term debt	-	-	100,439	-	-	144,046	-	-	128,857
Other financial liabilities	-	-	16,281	-	-	16,140	-	-	16,425
Total financial liabilities	**-**	**-**	**673,184**	**-**	**-**	**680,525**	**-**	**-**	**710,738**

(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

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 2018**	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	6(d)	5,605	-	-	5,605
Financial Investments at FVTPL					
Unquoted equity instruments -Woodland Speciality Hospital Ltd	6(a)	-	-	118	118
Total financial assets		**5,605**	**-**	**118**	**5,723**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **At 31 March 2018**	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Loans to related parties	6(b)	-	-	-	**-**
Loans to others	6(b)	-	-	1573	**1,573**
Bank deposits	6(c)	-	87	-	**87**
Total financial assets		**-**	**87**	**1,573**	**1,660**
Financial Liabilities					
Borrowings	13(a)	-	431,096	-	**431,096**
Security deposits	13(b)	-	-	94	**94**
Total financial liabilities		**-**	**431,096**	**94**	**431,190**
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 -Woodland Speciality Hospital Ltd	6(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	6(b)	-	-	-	**-**
Loans to others	6(b)	-	-	1,467	**1,467**
Bank deposits	6(c)	-	20	-	**20**
Total financial assets		**-**	**20**	**1,467**	**1,487**
Financial Liabilities					
Borrowings	13(a)	-	451,809	-	**451,809**
Security deposits	13(b)	-	-	38	**38**
Total financial liabilities		**-**	**451,809**	**38**	**451,847**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Financial assets measured at fair value - recurring fair value measurements At 1 April 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	6(d)	3,746	-	-	**3,746**
Financial Investments at FVTPL					
Unquoted equity instruments -Woodland Speciality Hospital Ltd	6(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	6(b)	-	-	-	**-**
Loans to others	6(b)	-	-	1,500	**1,500**
Bank deposits	6(c)	-	79	-	**79**
Total financial assets		**-**	**79**	**1,500**	**1,579**
Financial Liabilities					
Borrowings	13(a)	-	584,713	-	**584,713**
Security deposits	13(b)	-	-	9	**9**
Total financial liabilities		**-**	**584,713**	**9**	**584,722**

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 2018 and 31 March 2017:

Particulars	Unlisted Equity Securities
As at 1 April 2016	99
Acquisitions	-
Gains(losses) recognised in Statement of profit or loss	-
As at 31 March 2017	**99**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Unlisted Equity Securities
Acquisitions	-
Gains(losses) recognised in Statement of profit or loss	19
As at 31 March 2018	**118**

Particulars	Fair Value as at			Significant unobservable inputs	Sensitivity		
	31 March 2018	31 March 2017	1 April 2016		2018	2017	2016
Valuation inputs and relationship to fair value - Investment in Equity Securities held for sale (non recurring)	7	7	7	Net book values	Not applicable		
Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)*	118	99	99	Net book values	Increase (decrease) in the book value would result in increase (decrease) in fair value		

* Net book value as on 31st March, 2018 is calculated based on latest available Financial Statements (i.e. 31st March 2017)

(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 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to related parties	-	-	-	-	-	-
Loans to employee	1,573	1,573	1,467	1,467	1,500	1,500
Bank deposits	87	87	20	20	79	79
Total financial assets	**1,660**	**1,660**	**1,487**	**1,487**	**1,579**	**1,579**
Financial Liabilities						
Borrowings	431,096	431096	451,809	451809	584,476	584,713
Security deposits	94	94	38	38	9	9
Total financial liabilities	**431,190**	**431,190**	**451,847**	**451,847**	**584,485**	**584,722**

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 37: 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 simplified 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, provisioning is made on case to case basis i.e. such customers do not form part of this impairment exercise and provided for separately.

(iii) Reconciliation of Trade receivables :

Particulars	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount of trade receivables	81,827	85,844	90,685
Less : Expected credit losses	12504	13,512	15,448
Less : Provision made separately for bankrupt/terminated agents	3849	3,178	2,833
Less : Provision for off hire	3051	2,193	2,651
Less : Provision for Demurrage	1565	1,091	1,570
Carrying amount of trade receivables (net of impairment)	**60,858**	**65,870**	**68,183**

(iv) Reconciliation of loss allowance provision - Trade receivables :

Particulars	Amount
Loss allowance on 1st April 2016	**15,448**
Changes in loss allowance	(1,936)
Loss allowance on 31st March 2017	**13,512**
Changes in loss allowance	(1,008)
Loss allowance on 31st March 2018	**12,504**

(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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 2018	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	242,633	292,072	64,769	599,474
Trade payables	98,366	-	-	98,366
Security and other deposits	627	94	-	721
Others financial liabilities	15,560	-	-	15,560
Total liabilities	**357,186**	**292,166**	**64,769**	**714,121**

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	115,156	-	-	115,156
Security and other deposits	1,038	38	-	1,076
Others financial liabilities	15,064	-	-	15,064
Total non-derivative liabilities	**344,158**	**347,279**	**4,204**	**695,641**
Contractual maturities of financial liabilities 1 April 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	109,837	-	-	109,837
Security and other deposits	959	9	-	968
Others financial liabilities	15,457	-	-	15,457
Total non-derivative liabilities	**269,726**	**455,967**	**27,911**	**753,604**

(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

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2018			31 March 2017			31 March 2016		
	USD	EUR	Others	USD	EUR	Others	USD	EUR	Others
Financial assets									
Current assets	1,647	-	97	917	-	87	381	-	134
Current Loans & Advances	23,302	-	-	17,902	-	-	19,480	-	-
Cash and cash equivalents	22,335	702	253	2,099	648	424	5,799	15	599
Other Bank Balances	2,254	-	-	-	-	-	-	-	-
Trade Receivables	29,606	5,640	10,311	24,113	5,261	9,561	27,948	5,226	11,003
Exposure to foreign currency risk (assets)	**79,144**	**6,342**	**10,661**	**45,031**	**5,909**	**10,072**	**53,608**	**5,241**	**11,736**
Financial liabilities									
Long Term (Non-Current) Borrowings	330,657	-	-	307,763	-	-	454,776	-	-
Current maturities of long term borrowings	100,439	-	-	143,204	-	-	127,128	-	-
Other current Liabilities	53,300	129	(1,910)	4,512	46	1	4,178	49	1
Short Term Borrowings	127,441	-	-	77,820	-	-	-	-	-
Trade Payables	40,573	5,094	10,488	73,269	4,320	9,940	73,257	4,883	6,394
Exposure to foreign currency risk (liabilities)	**652,410**	**5,223**	**8,578**	**606,568**	**4,366**	**9,941**	**659,339**	**4,932**	**6,395**

(b) Sensitivity

The following table details the Company's sensitivity to a 3% 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 2018	31 March 2017
USD sensitivity		
INR/USD -Increase by 5% (31 March 2017- 7%)	(17,198)	(28,077)
INR/USD -Decrease by 5% (31 March 2017- 7%)	17,198	28,077
EUR sensitivity		
INR/EUR -Increase by 1% (31 March 2017- 3%)	11	15
INR/EUR -Decrease by 1% (31 March 2017- 3%)	(11)	(15)

(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 2018	31 March 2017	1 April 2016
Variable rate borrowings	561,784	533,080	587,256
Total borrowings at variable rate	**561,784**	**533,080**	**587,256**

(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 2018	31 March 2017
Interest rates – increase by 100 basis points (100 bps)	(5,618)	(5,331)
Interest rates – decrease by 100 basis points (100 bps)	5,618	5,331

(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 38: 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 2018	31 March 2017	1 April 2016
Net Debt	431,096	451,809	584,476
Total Equity	709,756	683,277	668,210
Net debt to equity ratio	**0.61**	**0.66**	**0.87**

(b) Loan covenants

The Company has 11 ECB Loan Agreement wherein 9 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 5 lenders have waived the DSCR default.

Note 39: During the year ended 31st March, 2018, the company lost MV SCI Ratna an Offshore Support Vessel 96 nautical miles off the coast of Mumbai on 21st November 2017. The WDV of the vessel was Rs 7535 .61 lakhs. The vessel was insured with Hull Underwriter under Hull & Machinery cover. The Company has submitted total loss claim of USD 11,000,000 to M/s Oriental Insurance Co Ltd and same was settled during the year. The Company has recognised the claim amount and loss of Rs 485.89 lakhs during the year.

Note 40: The following changes were made in accounting policy for recognising of foreign currency transactions and balances during the year:

Old Policy - 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.

New Policy - All foreign currency transactions are recorded at the previous day's available RBI reference rate/exchange rate. Since the RBI reference rate is available for four major currencies only i.e., USD, UKP, EUR, YEN, exchange rates of other currencies are taken from xe.com website. The foreign currency balances in US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the available RBI reference rate/exchange rate at the period end. The foreign currency balances other than US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the rate available on xe.com website at the period end. Thereafter, the monetary assets and monetary liabilities as well as the Long Term Loans are translated into rupees at RBI reference rate/exchange rate prevailing at the period end.

The effects of above changes are not determinable. However, the Company does not expect any material impact on the financial results for the year.

Note 41: The revenue from operations includes reimbursement of management expenses of Rs 120.91 Crores from Customers (Refer note no.19). The management has revised the method of allocation of "Management Expenses" on these vessels w.e.f.1st April 2017. The revised method of allocating the expenses has resulted into increase of revenue by Rs 78 Crores (approx.) for the financial year 2017-18. The same is in process of approbation by the respective Customers.

Note 42(a): 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 42(b): 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, 2018, 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 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017.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 March 31, 2018, 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 March 31, 2018.

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) As mentioned in the Note No. 41 to the Financial Statements, the revision in the method of allocation of Management Overheads is in the process of approbation with the respective customers

Our Opinion is not qualified in respect of these matters.

6. Other Matters

i. 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, 2018. The Financial Statement has been audited by the other auditor whose report has been furnished to us by the Management which reflects groups share in Total Assets of Rs. 5.10 lacs, Total Liabilities of Rs. 9.71 lacs and Total Revenue of Rs. 0.21 lacs. 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 audited financial statement.

ii. We did not audit the Financial Statements of the Joint Ventures as at and for the year ended March 31, 2018. The Consolidated Financial Statements include the share of profit of Rs. 7,527 lacs. These financial statements are unaudited for the year ended March 31, 2018 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.

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 statements 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 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017;

(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 of the internal financial controls over financial reporting of the group and the operating effectiveness of such Controls 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;

(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 and as amended from time to time, 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. 28 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, 2018.

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, 2018.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 23rd May, 2018

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952

Place: Mumbai
Date: 23rd May, 2018

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 2017-18

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 Rs. 5,25,30,470/- 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 2017-18

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

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

Name of Party	Amount	Reason
Miscellaneous parties	5,568	Balance is too small and uneconomical to collect.
Miscellaneous parties	1,550	Balance is too small and uneconomical to collect.
Miscellaneous parties	20,000	Balance is too small and uneconomical to collect.
Miscellaneous parties	1,70,000	The amount is more than 20 year old and recovery not feasible.
HINDUSTAN SHIPYARD LIMITED	7,34,932	The amount is more than 15 year old and recovery not feasible.
SALAM STEEL PLANT	3,56,066	The amount is more than 15 year old and recovery not feasible.
ALLIED MARITIME	8,46,239	Party is Liquidated.
CCA	16,08,020	The amount is more than 10 year old and recovery not feasible.

ANNEXURES TO THE INDEPENDENT AUDITORS' REPORT

Name of Party	Amount	Reason
KLINE	16,29,387	The amount is more than 10 year old and recovery not feasible.
JINYANG SHIPPING	26,37,994	The amount is more than 10 year old and recovery not feasible.
SOUTHERN CHARTERING	74,96,528	Charterer gone defunct.
SHIP STORES SUPPLIERS DEPOSIT	3,84,500	The write off arising out of reconciliation of deposits.
CLIPER SHIPPING LTD	1,29,17,422	The amount is more than 22 years old and recovery not materialize despite all efforts.
CONTROLLER OF RATIONING AND DIR	5,000	Balance is too small and uneconomical to collect.
OIL AND NATURAL GAS CORPORATION	20,200	Balance is too small and uneconomical to collect.
INDIAN OXYGEN GAS DEPOSIT PAWAI	19,650	Balance is too small and uneconomical to collect.
VIDESH SANCHAR NIGAM LTD MUMBAI	20,000	Balance is too small and uneconomical to collect.
P & T TELEX DEPOSIT-CALCUTTA	70,000	Recovery not materialize despite all efforts.
IRIS LINES	61,416	The amount is more than 10 year old and recovery not feasible.
GEEPEE SHIPPING & TRADING	35,416	The amount is more than 10 year old and recovery not feasible.
COMPASS INTERNATIONAL	10,025	Balance is too small and uneconomical to collect.
CENTRAL WAREHOUSING CORPORATION	1,213	Balance is too small and uneconomical to collect.
BORNEO SHIPPING	55,00,699	The party is absconding and untraceable.
PANTHAI SHIPPING LTD	14,82,150	The amount is more than 10 year old and recovery could not be made despite all efforts.
LAND AIR SEA TRANSPORT	1,64,96,497	The party is absconding and untraceable.
TOTAL	**5,25,30,470**	

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, 2018, we have audited the internal financial controls over financial reporting of The Shipping Corporation of India Limited ("the Holding Company") and its subsidiary which is incorporated in India (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 company incorporated in India 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company and its subsidiary company, which are incorporated in India.

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, 2018.

a) The timely updation and monitoring of the data, with respect to Fleet Personnel, needs to be strengthened. Maker checker concept in case of initial entering of the floating staff data needs to be strengthened.

b) 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.

c) Legacy balances should be reconciled.

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

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

h) FDA's and PDA's reconciliation needs to be done on timely basis.

i) Expenses booking in the correct profit centres needs to be further strengthened.

j) Forex Valuation system needs to be strengthened.

In our opinion, the holding Company & the subsidiary company which is the company incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018 based on the internal control over financial reporting criteria established by the respective Companies 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 weaknesses 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, 2018.

We have considered the material weaknesses 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 March 31, 2018 and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.

Other Matters

Our aforesaid report under section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial control on financial reporting in so far as it relates to subsidiary company which is a company incorporated in India, is based on the corresponding reports of the other auditor as applicable, of such company incorporated in India.

Our opinion is not modified in respect to this matter.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
ICAI Membership No. 38755

Place: Mumbai
Date: 23rd May, 2018

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952

Place: Mumbai
Date: 23rd May, 2018

The Shipping Corporation of India Limited

CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017 (Restated)*	As at 1 April 2016 (Restated)*
ASSETS				
Non-current assets				
Property, plant and equipment	**3**	1,134,748	1,141,062	1,182,675
Capital work-in-progress	**4**	781	2,733	-
Other intangible assets	**5(a)**	52	6	46
Investments accounted for using the equity method	**5(b)**	21,030	13,503	4,138
Financial assets				
i. Investments	**6(a)**	118	99	99
ii. Loans	**6(b)**	1,885	1,708	1,689
iii. Other financial assets	**6(c)**	91	32	91
Tax assets (net)	**7**	16,209	13,031	13,107
Other non-current assets	**8**	7,921	9,108	6,035
Total non-current assets		**1,182,835**	**1,181,282**	**1,207,880**
Current assets				
Inventories	**9**	11,653	11,521	8,558
Financial assets				
i. Investments	**6(d)**	5,605	-	3,746
ii. Trade receivables	**6(e)**	60,858	65,870	68,183
iii. Cash and cash equivalents	**6(f)**	26,059	57,127	49,682
iv. Bank balances other than (iii) above	**6(g)**	86,957	80,442	78,864
v. Loans	**6(b)**	23,618	26,738	28,878
vi. Other financial assets	**6(c)**	37,275	16,957	10,228
Other current assets	**8**	18,838	14,205	19,734
Assets classified as held for sale	**10**	28	713	97
Total current assets		**270,891**	**273,573**	**267,970**
Total assets		**1,453,726**	**1,454,855**	**1,475,850**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	**11**	46,580	46,580	46,580
Other equity	**12**	676,836	642,831	623,040
Total equity		**723,416**	**689,411**	**669,620**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**13(a)**	330,657	307,763	455,619
ii. Other financial liabilities	**13(b)**	94	38	9
Provisions	**14**	9,004	8,574	14,559
Deferred tax liabilities (net)	**15**	10,395	38,822	39,447
Total non-current liabilities		**350,150**	**355,197**	**509,634**

The Shipping Corporation of India Limited

CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017 (Restated)*	As at 1 April 2016 (Restated)*
Current liabilities				
Financial liabilities				
i. Borrowings	**13(c)**	127,441	97,420	-
ii. Trade payables				
Micro, Small and Medium Enterprises	**13(d)**	2,579	1,585	515
Others	**13(d)**	95,787	113,571	109,322
iii. Other financial liabilities	**13(b)**	116,626	160,148	145,273
Other current liabilities	**16**	16,185	16,195	15,876
Provisions	**14**	932	968	4,640
Current tax liabilities (net)	**17**	1,330	1,137	2,614
Liabilities directly associated with assets classified as held for sale	**18**	19,280	19,223	18,356
Total current liabilities		**380,160**	**410,247**	**296,596**
Total liabilities		**730,310**	**765,444**	**806,230**
Total equity and liabilities		**1,453,726**	**1,454,855**	**1,475,850**

*See Note no. 30 for details regarding the restatement as a result of an error.

The accompanying cash flow statement, statement of changes in equity and notes No. 1 to 45 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

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

Mumbai, Dated the 23rd May, 2018

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 23rd May, 2018

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 2018	Year ended 31 March 2017 (Restated)*
Revenue from operations	**19,20**	346,947	344,735
Other income	**21**	14,800	14,523
Total Income		**361,747**	**359,258**
Expenses			
Cost of services rendered	**22**	222,304	217,799
Employee benefits expense	**23**	48,592	41,814
Finance costs	**24**	17,978	17,215
Depreciation and amortisation expense	**25**	61,025	56,607
Other expenses	**26**	8,900	7,255
Total expenses		**358,799**	**340,690**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**2,948**	**18,568**
Share of net profit of associates and joint ventures accounted for using equity method		5,275	4,018
Profit before exceptional items and tax		**8,223**	**22,586**
Exceptional items		-	-
Profit before tax		**8,223**	**22,586**
Tax expense	**29**		
Current tax		6,000	6,105
Deferred tax		(28,427)	(625)
MAT Credit adjusted		-	(1,132)
Total tax expense		**(22,427)**	**4,348**
Profit for the Year		**30,650**	**18,238**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements gain/(loss) of defined benefit plans		1,103	838
Share of OCI of associates and joint ventures, net of tax		2,252	717
Other comprehensive income for the year, net of tax		**3,355**	**1,555**
Total comprehensive income for the year		**34,005**	**19,793**
Earnings per equity share	**27**		
Basic earnings per share		**6.58**	**3.92**
Diluted earnings per share		**6.58**	**3.92**

*See Note no. 30 for details regarding the restatement as a result of an error.

The accompanying cash flow statement, statement of changes in equity and notes No. 1 to 45 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 23rd May, 2018

Mumbai, Dated the 23rd May, 2018

The Shipping Corporation of India Limited

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A	**Cash Flow from operating activities:**		
	Profit before income tax	8,223	22,586
	Adjustments for		
	Add:		
	Depreciation and amortisation expenses	61,025	56,607
	Finance costs	17,978	17,215
	Bad debts and irrecoverable balances written off	525	7
	Provision for doubtful debts	511	-
	Provision for diminution of value of investment	-	39
	Less:		
	Dividend received	(205)	(44)
	Interest received	(8,630)	(10,644)
	Share of profits of associates and joint ventures	(5,275)	(4,018)
	Excess Provisions written back	(4,500)	(642)
	Surplus on sale of fixed assets	(5,150)	(803)
	Provision for doubtful debts	-	(1099)
	Change in non-current investment due to fair valuation	(19)	-
	Change in operating assets and liabilities		
	(Increase)/Decrease in trade receivables	(19,000)	1,400
	(Increase)/Decrease in inventories	(132)	(2,963)
	Increase/(Decrease) in trade payables	(11,650)	(3,015)
	Cash generated from operations	33,701	74,626
	Income taxes paid	(8,985)	(6,374)
	Net cash inflow from operating activities (A)	**24,716**	**68,252**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment/ intangible assets	(64,777)	(19,336)
	Sale proceeds of property, plant and equipment	17,807	1,837
	Dividend received	205	44
	Purchase of investments	(5,605)	-
	Purchase/Sale of investments	-	3,746
	Purchase of non-current investments	(4)	(4,672)
	Loans given to Joint venture	-	(383)
	Recovery of Loans given to employees and Joint venture	2,855	2,529
	Other Deposits with banks	(6,518)	(1,597)
	Advances and other Deposits	194	(855)
	Interest received	8,765	10,103
	Net cash outflow from investing activities (B)	**(47,078)**	**(8,584)**

The Shipping Corporation of India Limited

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
C	**Cash flow from financing activities:**		
	Long term loans borrowed/(repaid)	(20,713)	(132,667)
	Short term loans borrowed/(repaid)	30,021	97,420
	*Dividend on shares paid of earlier years and transfer to IEPF	(7)	(19)
	Interest paid	(17,863)	(16,788)
	Other financing costs	(151)	(188)
	Net cash inflow (outflow) from financing activities (C)	**(8,713)**	**(52,242)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(31,075)**	**7,426**
	Add: Changes in Bank balances (unavailable for use) *	7	19
	Add: Cash and cash equivalents at the beginning of the financial year	57,127	49,682
	Cash and cash equivalents at the end of the year	**26,059**	**57,127**
	Reconciliation of Cash Flow statements as per the cash flow statement		
		31 March 2018	**31 March 2017**
	Cash Flow statement as per above comprises of the following		
	Cash and cash equivalents	26,059	57,127
	Balances as per statement of cash flows	26,059	57,127

*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.
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 23rd May, 2018

Mumbai, Dated the 23rd May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)

Balance as at 1st April 2016	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2017	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2018	**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 1st April 2016 (as previously reported)		**14,298**	**52,177**	**12,700**	**543,727**	**9,050**	**-**	**(4,932)**	**157**	**627,177**
Impact of Prior items		-	-	4,138	-	-	-	-	-	**4,138**
Restated balance as at 1st April 2016		-	-	**8,562**	-	-	-	-	-	**623,039**
Profit for the year		-	-	18,238	-	-	-	-	-	**18,238**
Other Comprehensive Income for the year	33	-	-	838	-	-	-	**1,482**	**(766)**	**1,554**
Total Comprehensive Income for the year		-	-	19,076	-	-	-	1,482	(766)	**19,792**
Transfer from Tonnage tax reserve (utilised)		-	-	(750)	9,050	-	-	-	-	**8,300**
Transfer from surplus in Statement of Profit & 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**	**26,888**	**552,777**	**750**	**-**	**(3,450)**	**(609)**	**642,831**
Profit for the year		-	-	30,650	-	-	-	-	-	**30,650**
Other Comprehensive Income for the year	33	-	-	1,103	-	-	-	2,155	97	**3,355**
Total Comprehensive Income for the year		-	-	31,753	-	-	-	2,155	97	**34,005**
Transfer from Tonnage tax reserve (utilised)		-	-	-	750	-	-	-	-	**750**
Transfer from surplus in Statement of Profit & Loss account		-	-		-	-	-	-	-	**-**
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	(750)	-	-	-	**(750)**
Transfer from Tonnage tax reserve		-	-	-	-	-	750	-	-	**750**
Transfer to Capital Reserve		907	-	(907)	-	-	-	-	-	**-**
Transfer to General Reserve		-	-	-	-	-	(750)	-	-	**(750)**
Balance as at 31 March 2018		**15,205**	**52,177**	**57,734**	**553,527**	**-**	**-**	**(1,295)**	**(512)**	**676,836**

The accompanying notes 1 to 45 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
Partner
Membership No. 38755

CA Chetan R. Sapre
Partner
Membership No. 116952

Mumbai, Dated the 23rd May, 2018

Dipankar Haldar
ED (LA & Co. Sec.)

Mrs. H. K. Joshi
Director (Finance)

Capt. Anoop Kumar Sharma
Chairman &
Managing Director

Mumbai, Dated the 23rd May, 2018

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 23rd May 2018.

Note 1: 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 from time to time) 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. The policies set out below have been consistently applied during the years presented.

(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(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 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) Amended standard adopted by the Group

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities are provided in the Note no. 13(C).

(f) Recent accounting pronouncements

Standard issued but not yet effective

Ind AS 115 'Revenue from Contracts with Customers':

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28 March 2018 notifying Ind AS 115 'Revenue from Contracts with Customers'.

Ind AS 115 replaces Ind AS 18 which covers contracts for goods and services and Ind AS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. It establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group is evaluating the requirements of the Standard and the effect on the financial statements is being evaluated. This standard will be applied by the Group from its effective date i.e. from accounting period commencing on or after April I, 2018.

There are no other standards, changes in standards and interpretations that are not in force that the Group expects to have a material impact arising from its application in its financial statements.

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 as that of the Company i.e. year ended 31 March 2018.

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 2017 to 31st March 2018 has been taken. Whereas for India LNG Transport Company (No. 4) Ltd. period 1st January 2017 to 31st March 2018 has been taken as financial accounts of quarter 1st January 2017 to 31st March 2017 of India LNG Transport Company (No. 4) were not available for consolidation in the previous year 2016-17. However, in the previous year 2016-17 adjustments have been made for significant transactions or other events which occurred between the date of financial statements of the Joint Ventures and the Company in the Consolidated Financial Statements of 2016-17.

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 are recorded at the previous day's available RBI reference rate/exchange rate. Since the RBI reference rate is available for four major currencies only i.e, USD, UKP, EUR, YEN, exchange rates of other currencies are taken from xe.com website.

The foreign currency balances in US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the available RBI reference rate/exchange rate at the period end. The foreign currency balances other than US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the rate available on xe.com website at the period end. Thereafter, the monetary assets and monetary liabilities as well as the Long Term Loans are translated into rupees at RBI reference rate/exchange 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 for acquiring ships / containers / other depreciable assets and asset under construction is recognised as follows

a) In respect of long term loans as on 31.03.2016, exchange difference is adjusted in the carrying cost of respective assets.

b) In respect of long term loans after 31.03.2016, the exchange difference 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.

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, 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 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. In case of VLGC vessel, the Group has adopted a useful life of 30 years as mentioned in Schedule II to the Companies Act, 2013. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25/30 years from the date of original built.

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 Rs. 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. 10 - 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, GST 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

Amortization 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

Inventories are valued at cost (as determined on Moving Average/Weighted Average 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 /weighted average" 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 for providing 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.

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.

1.16 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 other 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 employee's 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 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.

(b) No provision is made in respect of claims by the Group covered under Hull & Machinery insurance and treatment of such claims is as under:-

i. Expenses on account of particular and general average claims/ damages to ships are charged off in the period in which they are incurred.

ii. Claims against the underwriters are accounted on submission of the Adjuster's report to the underwriters.

(c) 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 recognised 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 Groupas lessee are classified as operating leases. Payments& Receipts under operating leases are charged / credited to statement of profit andloss 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.

Discount Rate for the valuation is determined by reference to market yields at the balance sheet date on Government Bonds. This is the rate that is 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 3: 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 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 10)	-	-	-	(662)	-	-	-	-	(662)
Disposals	-	-	-	(6,510)	-	-	(1)	-	(6,511)
Closing gross carrying amount	**237,630**	**1,107**	**140**	**1,306,182**	**46,704**	**-**	**1511**	**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 10)	-	-	-	-	-	-	-	-	-
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**	**0**	**1,141,062**
Year ended 31 March 2018									
Gross carrying amount									
Opening gross carrying amount	237,630	1,107	140	1,306,182	46,704	-	1,511	8	1,593,282
Additions				48,292	15,477	-	170		63,939
Disposals				(61,798)	(875)	-	-	-	(62,673)
Transfer					2,733				2,733
Closing gross carrying amount	**237,630**	**1,107**	**140**	**1,292,676**	**64,039**	**-**	**1,681**	**8**	**1,597,281**
Accumulated depreciation									
Opening accumulated depreciation	-	52	10	431,393	20,166	-	591	8	452,220
Depreciation charge during the year		28	5	46,207	14,517	-	257	-	61,014
Disposals				(50,300)	(401)		-	-	(50,701)
Closing accumulated depreciation	**-**	**80**	**15**	**427,300**	**34,282**	**-**	**848**	**8**	**462,533**
Net carrying amount	**237,630**	**1,027**	**125**	**865,376**	**29,757**	**-**	**833**	**0**	**1,134,748**

Notes

(1) Additions to Fleet include Rs -76 Lakhs (Previous year Rs 8995 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 Rs 134 lakhs (31st March 2017, Rs 134 lakhs and 1st April 2016, Rs 134 Lakhs) which is on leasehold land wherein the value of lease is considered at Rs 1.

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

(4) *Refer Note 34 for Fleet pledged with banks for Borrowings

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Capital Work-in-Progress

Particulars	As at April 1, 2016	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2017	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2018
(A) Construction Work in Progress							
Asset under Construction excluding advance	-	2,733	-	2,733	781	2,733	781
(B) Costruction Period Expenses							
a. Interest	-	-	-	-	-	-	-
b. Other directly attributable expenses	-	-	-	-	-	-	-
c. Exchange fluctuation	-	-	-	-	-	-	-
Total (A+B)	**-**	**2,733**	**-**	**2,733**	**781**	**2,733**	**781**

Note 5 (a): Intangible assets

Particulars	Computer Software	Total
Year ended 31 March 2017		
Gross carrying amount		
Opening gross carrying amount	1,279	1,279
Additions – internal development	-	-
Acquisition of subsidiary		
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**
Year ended 31 March 2018		
Gross carrying amount		
Opening gross carrying amount	1,279	1,279
Additions	57	57
Acquisition of subsidiary	-	-
Closing gross carrying amount	**1,336**	**1,336**
Accumulated amortisation		
Opening accumulated amortisation	1,273	1,273
Amortisation charge for the year	11	11
Closing accumulated amortisation	**1,284**	**1,284**
Closing net carrying amount	**52**	**52**

5(b): Investments accounted for using the equity method

Particulars	31 March 2018		31 March 2017		1 April 2016	
	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.	2908	**7427**	2908	4841	2908	**2098**
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.	2908	**7212**	2908	4999	2908	**2040**
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.	2600	**0**	2600	0	2600	**0**
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Ltd.	11036558	**6392**	11036558	3663	4268732	**0**
Total		**21,030**		**13,503**		**4,138**

NOTES TO 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 NYK, MOL and K Line along with PLL. SCI, NYK and PLL are the largest shareholders with 26% share each, while MOL and Kline hold 15.67% and 6.33% 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.

Note 6: Financial assets

Note 6 (a): Non-current investments

Particulars	Face value	31 March 2018		31 March 2017		1 April 2016	
		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	50000000	5000	50000000	5000	50000000	5000
Less: Loss allowance			5000		5000		5000
			0		0		0
3438 Equity Shares of ₹ 20/- each of Scindia Steam Navigation Company Ltd., fully paid (₹ 0.30 lakhs ; Prev. yr. Rs 0.30 lakhs)	₹ 20	3438	-	3438	-	3438	-
Less: Loss allowance			-		-		-
			-		-		-
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd. (Prev. yr. 60,000)	10	60000	118	60000	99	60000	99
Total (equity instruments)			**118**		**99**		**99**
Total non-current investments			118		99		99
Aggregate amount of unquoted investments			5,118		5,099		5,099
Aggregate amount of impairment in the value of investments			5,000		5,000		5,000

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 Rs 5000 lakhs (previous year Rs 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 6(b): Loans

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Unsecured, considered good						
Loans to related parties*	23,302	-	26,398	-	28,607	-
Loans to employees	316	1,573	340	1,467	271	1,500
Security Deposits	-	312	-	241	-	189
Total loans	**23,618**	**1,885**	**26,738**	**1,708**	**28,878**	**1,689**

* The loans given to JV companies are classified as current as the loans are repayable on demand as per the shareholders' loan agreement. However, the repayment of loan requires the consent of the other shareholders.

Note 6(c): Other financial assets

Particulars	March 2018		31 March 2017		1 April 2016	
	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 31 for details)						
Interest Receivable	101	-	305	-	15	-
Bank deposits with more than 12 months maturity						
- Term Deposits	-	87	-	20	-	79
Income accrued on deposits/investments	2,514	-	2,564	-	1,949	-
Claim Recoverable	2,656	-	1,310	-	772	-
Unbilled Revenue*	32,003	-	12,778	-	7,492	-
Others	1	4	-	12	-	12
Total other financial assets	**37,275**	**91**	**16,957**	**32**	**10,228**	**91**

*Includes revenue recognised for fully rendered and partially rendered services for which invoices are not raised till reporting date.

6(d): Current investments

Particulars	Face value	31 March 2018		31 March 2017		01 April 2016	
		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 Rs 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	-
16 (Prev.yr.16) shares of USD 1 each fully paid up of BIIS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)*	1 USD	16	-	16	-	16	-
Total(Equity instruments)			**-**		**-**		**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	31 March 2018		31 March 2017		01 April 2016	
		No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs
(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
5,59,179.690 Units of IDBI Mutual Fund - LFD1-IDBI Liquid Fund - Direct Plan- Daily Dividend		559,179.69	5,605		-		-
Total (mutual funds)		**-**	**5,605**		**-**		**3746**
Total current investments			**5,605**		**-**		**3,746**
Aggregate amount of quoted investments and market value thereof			-		-		-
Aggregate amount of unquoted investments			5,605		-		3,746
Aggregate amount of impairment in the value of investments			-		-		-
Investments carried at fair value through Profit and Loss			**5,605**		**-**		**3,746**

* Shares have pledged to banks against loans given by them

Note 6(e): Trade receivables

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade Receivable*	81,827	85,844	90,685
Less: Allowance for doubtful debts	20,969	19,974	22,502
Total receivables	**60,858**	**65,870**	**68,183**
Current Portion	60,858	65,870	68,183
Non Current Portion	-	-	-

Break up of above details

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured, considered good	7,819	5,081	4,437
Unsecured, considered good	56,372	63,984	69,807
Unsecured, considered Doubtful	17,636	16,779	16,441
Total	**81,827**	**85,844**	**90,685**
Allowance for doubtful debts	20,969	19,974	22,502
Total trade Receivables	**60,858**	**65,870**	**68,183**

*Significant Receivables from related parties (refer note 31)

Note 6(f): Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- in current accounts	4,910	7,994	8,410
- in current account with repatriation restrictions	10	16	13
- in deposits account with original maturity of less than three months	21,139	49,114	41,250
Cash on hand	-	3	9
Total cash and cash equivalents	**26,059**	**57,127**	**49,682**

There is no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 6(g): Bank balances other than cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Earmarked Balance with Bank towards unpaid dividend	20	27	46
Margin money for Bank Guarantee	14	14	14
Other Deposits with banks*	86,923	80,401	78,804
Total Bank balances other than cash and cash equivalents	**86,957**	**80,442**	**78,864**

*Refer Note 34 for Deposits pledged with banks for Borrowings

*Fixed deposit includes unutilised funds of FPO as on 31st March 2018 is Rs 13385 lakhs as (on 31st March 2017 is Rs 29,628 lakhs and as on 1st April 2016 Rs 33,065 lakhs)

Note 7: Income Tax Assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Income Tax Assets(Net) *	16,209	13,031	13,107
Total Income Tax Assets(Net)	**16,209**	**13,031**	**13,107**

* Refer Note no. 29 for further details.

Note 8: Other assets

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances						
Advances to Employees						
i) Secured, Considered Good	-	-	-	-	-	-
ii) Unsecured, Considered Good	125	-	353	-	807	-
	125	-	353	-	807	-
Advances to Others						
i) Unsecured, Considered Good	5,910	-	6,311	-	9,559	-
ii) Unsecured, Considered Doubtful	1,697	-	1,393	-	1,404	-
	7,607	-	7,704	-	10,963	-
Less : Provision for Doubtful Advances	1,697	-	1,393	-	1,404	-
	5,910	-	6,311	-	9,559	-
(b) Others						
Excess - Gratuity Fund	-	3,243	-	5,357	-	4,436
Balances with statutory authorities						
- Cenvat Credit Receivables	91	-	3,794	-	7,701	-
- VAT receivable	-	-	-	-	-	-
- Service tax paid under Protest	-	3,100	-	2,925	-	767
- Advance Service Tax	198	-	1,518	-	1,064	-
- GST Receivable	12,141	-	-	-	-	-
-Predeposit with Income Tax Department	-	851	-	-	-	-
- Others	-		1,355		-	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
	12,430	3,951	6,667	2,925	8,765	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)	467	-	470	-	-	-
Less : Provision for Doubtful Advances	467		-		-	
	-		470		0	
Prepaid Expenses	372	-	403	-	602	-
Others	1	727	1	826	1	832
Total other assets	**18,838**	**7,921**	**14,205**	**9,108**	**19,734**	**6,035**

Note 9: Inventories

Particulars	31 March 2018	31 March 2017	1 April 2016
Fuel Oil	11,653	11,521	8,558
Total inventories	**11,653**	**11,521**	**8,558**

Note 10: Assets classified as held for sale

Particulars	31 March 2018	31 March 2017	1 April 2016
Fleet and Container held for Sale	21	683	28
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	7
Irano Hind Shipping Co. Ltd.	39	39	39
Less: Impairment loss allowance	(39)	(39)	-
	-	-	39
Advance to Irano Hind Shipping Co. Ltd.	23	23	23
Less: Provision for Doubtful advances	(23)	-	-
	-	23	23
Total assets held for sale	**28**	**713**	**97**

a) The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano Hind Shipping Company (IHSC) and splitting the assets/liabilities of IHSC between Joint Venture partners shall be undertaken. The Company holds 49% in IHSC, a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). Substantive efforts are made to eventually dissolve the JV which is depending on geo political environment and sanctions imposed by UN which is completely beyond SCI's control. SCI shall remain committed by the decision of cabinet and therefore is making all efforts for dissolution of JV. Further, Government of India vide letter dated 08th May 2018 has advised SCI to go ahead with the dissolution of IHSC.

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 Group has subscribed equity capital of 100000 shares of Rs 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 of FY 2016-17. 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 36).

Note 11: Equity Share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
1,00,00,00,000 [31 March 2017: 1,00,00,00,000 and 1 April 2016: 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 2017: 46,57,99,010 and 1 April 2016: 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 2018		As at 31 March 2017		As at 1 April 2016	
	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 2018		As at 31 March 2017		As at 1 April 2016	
	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	296,942,977	63.75
2. Life Insurance Corporation of India	63,518,884	13.64	65,796,899	14.13	65,796,899	14.13
	360,461,861	**77.39**	**362,739,876**	**77.88**	**362,739,876**	**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.

(All amounts in INR lakhs, unless otherwise stated)

d) **Rights/Preference/Restriction attached to Equity Shares**

The Company has only one class of Equity shares having par value of Rs 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 12: Other Equity

Note 12(a): Reserves and surplus

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) Capital reserve	15,205	14,298	14,298
(ii) Securities premium reserve	52,177	52,177	52,177
(iii) General reserve	553,528	552,778	543,728
(iv) Tonnage Tax Reserve	-	750	9,050
(v) Tonnage Tax Reserve Utilised	-	-	-
(vi) Retained Earnings	57,734	26,888	8,562
Total reserves and surplus	**678,644**	**646,891**	**627,815**

(i) Capital reserve

Particulars	31 March 2018	31 March 2017
Opening balance	14,298	14,298
Add: Transfer from Retained Earnings	907	
Less: Transferred to general reserve	-	-
Closing Balance	**15,205**	**14,298**

(ii) Securities premium account

Particulars	31 March 2018	31 March 2017
Opening balance	52,177	52,177
Closing Balance	**52,177**	**52,177**

(iii) General reserve

Particulars	31 March 2018	31 March 2017
Opening balance	552,778	543,728
Add: Transfer from Retained Earnings	-	-
Add: Transfer from Tonnage Tax Reserve (Utilised)	750	9,050
Closing Balance	**553,528**	**552,778**

(iv) Tonnage Tax Reserve

Particulars	31 March 2018	31 March 2017
Opening balance	750	9,050
Less: Transfer to Tonnage Tax Reserve (Utilised)	750	9,050
Add: Transfer from Surplus in the Statement of Profit or Loss	-	750
Closing Balance	**-**	**750**

(All amounts in INR lakhs, unless otherwise stated)

(v) Tonnage Tax Reserve (Utilised)

Particulars	31 March 2018	31 March 2017
Opening balance	-	-
Add: Transfer from Tonnage Tax Reserve	750	9,050
Less: Transfer to General Reserve	750	9,050
Closing Balance	**-**	**-**

(vi) Surplus in the Consolidated Statement of Profit and Loss

Particulars	31 March 2018	31 March 2017
Opening balance	26,888	8,562
Add: Profit for the year	25,375	14,220
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	1,103	838
Share of profits of associates and joint ventures, net of tax	5,275	4,018
Adjustments:		
Less: Tonnage Tax Reserve	-	750
Less: Capital Reserve	907	-
Closing Balance	**57,734**	**26,888**

Note 12(b): Other reserves

Particulars	Cash Flow Hedging Reserve	Foreign currency translation reserve	Total other reserves
As at 1 April 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)**
Share of OCI of associates and joint ventures, net of tax	2,155		2,155
Currency translation differences		97	97
As at 31 March 2018	**(1,296)**	**(512)**	**(1,808)**

Nature and Purpose of other reserves

Capital Reserve: The Companies Act, 2013 requires the Group to create capital reserve based on statutory requirement. 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

Note 13: Financial liabilities

Note 13(a): Long-term borrowings

Particulars		31 March 2018		31 March 2017		1 April 2016	
		Non Current	Current*	Non Current	Current*	Non Current	Current*
Secured							
Term Loans:							
Rupee loans from banks	A	-	-	-	842	843	1,729
Foreign currency loans from banks	B	278,622	100,439	307,763	143,204	454,776	127,128
Total	C	**278,622**	**100,439**	**307,763**	**144,046**	**455,619**	**128,857**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars		31 March 2018		31 March 2017		1 April 2016	
		Non Current	Current*	Non Current	Current*	Non Current	Current*
Unsecured							
Term Loans:							
Rupee loans from banks	A	-	-	-	-	-	-
Foreign currency loans from banks	B	52,035	-	-	-	-	-
Total	C	**52,035**	**-**	**-**	**-**	**-**	**-**
Long-term borrowings		**330,657**	**100,439**	**307,763**	**144,046**	**455,619**	**128,857**

Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	90,630	92,722	33,688	61,582

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Unsecured Loans	29,270	-	3,252	19,513

* 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 34.

Note 13(b): Other financial liabilities

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Financial Liablilities at amortised cost						
Security Deposits	627	94	1,038	38	959	9
Current maturities of long-term debt	100,439	-	144,046	-	128,857	-
Interest accrued but not due on borrowings	3,236	-	3,272	-	3,033	-
Unpaid Dividend	20	-	27	-	46	-
Others						
Other Deposits payable	1,898	-	428	-	348	-
Employee related Liabilities	6,704	-	7,058	-	9,520	-
Others	3,702	-	4,279	-	2,510	-
Total other financial liabilities	**116,626**	**94**	**160,148**	**38**	**145,273**	**9**

Note 13(c): Current borrowings

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured*			
from Banks repayable on demand			
Rupee loans from banks	-	19,600	-
Foreign currency loans from banks	127,441	77,820	-
Total current borrowings	**127,441**	**97,420**	**-**

*The carrying amounts of financial assets pledged as security are disclosed in note 34.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Statement of changes in liabilities for which cash flows have been classified as Financing Activities

Particulars	Liabilities from Financing Activities		
	Long Term borrowings	Short Term borrowings	Total
Net debt as at 1st April 2017	454,921	19,760	474,681
Cash flows	(19,896)	28,982	9,086
Foreign Exchange adjustments	(817)	1,039	222
Interest expense	17,329	498	17,827
Interest Paid	(17,206)	(657)	(17,863)
Net debt as at 31st March 2018	**434,331**	**49,622**	**483,953**

Note 13(d): Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade payables			
i) Dues of Micro, Small and Medium Enterprises	2,579	1,585	515
ii) Others *	95,787	113,571	109,322
Total trade payables	**98,366**	**115,156**	**109,837**

* Significant Payable from related parties (refer note 31)

Disclosure requirement under MSMED Act, 2006

Particulars	31 March 2018	31 March 2017	1 April 2016
Principal amount remaining unpaid to suppliers at the end of the period	2,579	1,585	515
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 and Medium enterprises on the basis of information availabe with the Company.

Note 14: Provisions

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Employee Benefit Obligations						
Provision for leave encashment	453	4,828	554	5,085	635	5,068
Post Retirement Medical Scheme	-	4,176	-	3,489	502	3,828
Pension	-	-	-	-	-	5,663
	453	**9,004**	**554**	**8,574**	**1,137**	**14,559**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Other Provisions						
Foreign Taxation*	-	-	-	-	1,440	-
Insurance & cargo claims**	479	-	414	-	974	-
Losses on unfinished voyage***	-	-	-	-	1,089	-
	479	**-**	**414**	**-**	**3,503**	**-**
Total	**932**	**9,004**	**968**	**8,574**	**4,640**	**14,559**

Short term provision	As at 31st March 2017	Provided during the year	Utilised during the year	Amount reversed	As at 31st March 2018
Other Provisions					
Insurance & cargo claims**	414	860	109	686	479
	414	**860**	**109**	**686**	**479**

* 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 15: Deferred Tax Liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax -upward valuation of PPE	10,395	38,822	39,447
Deferred Tax Liabilities(Net)	**10,395**	**38,822**	**39,447**

Note 16: Other current liabilities

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Deferred Trade Receivable	1,894		4,843		2,216	
Advances and Deposits	10,773	-	8,429	-	10,511	-
Others						
Employee Related Liabilities	926	-	1,778	-	2,182	-
Statutory dues	635	-	1,142	-	862	-
Others Current Liabilities	25	-	3	-	6	-
Subsidy for Passenger service (Myanmmar)*	-	-	-	-	99	-
Subsidy for Bangladesh-Myanmmar & Srilanka**	1,932	-	-	-	-	-
Total other current liabilities	**16,185**	**-**	**16,195**	**-**	**15,876**	**-**

* This pertains to India Myanmmar Service started on 02.10. 2014 on the directions of Ministry of Shipping. The service was completed on Nov 2016.

**This pertains to grant received of Rs.1900 lakhs on 22nd Nov 2017 towards new service from India to Bangladesh-Myanmmar and Sri Lanka- Maldives. SCI is awaiting directions from Ministry to start the service.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 17: Current Tax Liabilities(Net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for tax (net of advance tax)	1,330	1,137	2,614
Deferred Tax Liabilities(Net)	**1,330**	**1,137**	**2,614**

Note 18: Liabilities directly associated with assets classified as held for sale

Particulars	31 March 2018	31 March 2017	1 April 2016
Other current liabilities	19,280	19,223	18,356
Total Liabilities of disposal held for sale	**19,280**	**19,223**	**18,356**

Note 19: Revenue from operations

Particulars	31 March 2018	31 March 2017
Freight	239,901	244,582
Charter Hire	65,465	72,615
Demurrage	13,759	14,631
Contract Revenue:		
Core shipping activities	431	154
Incidental activities	5,424	4,975
Reimbursement of Expenses*	12,091	3,815
Total	**337,071**	**340,772**

*Refer note no 41.

Note 20: Other Operating Revenue

Particulars	31 March 2018	31 March 2017
Training & Consultancy fee	2,702	2,123
Sundry Receipts (Core)	367	54
Sundry Receipts (Incidental)	71	120
Excess Provisions & Unclaimed Credit Written Back	4,500	642
Recovery of Insurance & PI Claims	2,236	1,024
Total	**9,876**	**3,963**

Note 21: Other Income

Particulars	31 March 2018	31 March 2017
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	5,433	7,557
b) Loans to Employees	171	174
c) Loans to Joint Venture (Refer Note no.31)	1,674	2,086
d) Others	1,352	827
Dividend From Mutual Fund	205	44
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	5,112	572
b) Sale of Other Fixed Assets	38	231
Profit on sale of bunker	181	74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
Net gain on Foreign Currency Transaction / Translation	-	223
Gain or Loss on Fair valuation of investment	19	-
Reversal of Foreign Tax	-	1,338
Provision written back	546	1,323
Other Miscellaneous Income	69	74
Total	**14,800**	**14,523**

Note 22: Cost of services rendered

Particulars	31 March 2018	31 March 2017
Direct Operating Expenses :		
Agency Fees	1,717	1,543
Brokerage	2,483	2,200
Commission	827	725
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses on Joint Sector Container Services (Net)	18,036	17,279
Marine, Light And Canal Dues	43,557	36,456
Fuel Oil (Net)	85,712	65,718
Water Charges	625	615
Manning expenses	2,822	3,146
Honorarium Charges	519	524
Hire of Chartered Steamers	23,955	43,288
Other Indirect Operating Expenses		
Transfer and Repatriation and Other Benefits	158	224
Stores & Spares *	16,184	16,197
Sundry Steamer Expenses	2,233	2,334
Repairs and Maintenance and Survey Expenses	15,449	18,700
Insurance and Protection , Indemnity Club Fees & Insurance Franchise	6,365	7,244
Provision for Off Hire Etc.	1,662	1,606
Total	**222,304**	**217,799**

*includes amount of ₹. 1106 lakhs (Previous Year Rs 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.

Note 23: Employee benefit expense

Particulars	31 March 2018	31 March 2017
A) Floating staff		
Wages, Bonus and Other Expenses on Floating Staff	26,583	26,776
Gratuity	247	110
Contribution to Provident Fund	339	315
B) Shore Staff		
Salaries, Wages, Bonus etc	16,017	12,867
Gratuity	3,078	25
Contribution to Provident & Other Funds*	1,035	(24)
Contribution to Pension	1,032	1,393
C) Staff welfare expenses	21	94
D) Remuneration to Directors	240	258
Total	**48,592**	**41,814**

* Amount of Rs (24) lakhs for the year ended 31st March 2017 includes refund of excess contribution given to PF Trust.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Note 24: Finance costs

Particulars	31 March 2018	31 March 2017
Interest on:		
- Rupee term loans	1,281	1,293
- Foreign currency loans	16,070	14,652
- Others	476	1,082
Other borrowing costs	151	188
Total	**17,978**	**17,215**

Note 25: Depreciation and amortisation expense

Particulars	31 March 2018	31 March 2017
Depreciation on property, plant and equipment	61,014	56,566
Amortisation of Intangible Assets	11	41
Total	**61,025**	**56,607**

Note 26: Other expenses

Particulars	31 March 2018	31 March 2017
Power & Fuel	439	595
Rent	269	316
Repairs and Maintenance		
- Building	640	727
- Others	1,293	1,374
Insurance	98	85
Rates and Taxes	101	189
Auditors' Remuneration *(Detail in Note No. 26(a))	65	60
Establishment Charges	2,017	2,183
Advertisement & Publicity	97	394
Legal & professional	1,012	988
Postage, Telephone Telegram & Telex***	(71)	140
Printing & stationery	130	156
Training, Seminar & Conference Fee	27	6
Travel & Conveyance	270	470
Directors' Sitting Fees	13	10
Directors' Travel Expenses	29	45
Debts / Advances written off	525	7
Interest and Penalties	3	36
Bank Charges	32	111
Service tax ineligble for CENVAT	389	261
Preliminary expenses of ICSL Ltd.	-	9
CSR Expenditure**(Detail in Note no 26(b))	311	157

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
Net loss on Foreign Currency Transaction / Translation	187	-
Loss of Asset (Detail in Note no 39)	486	-
Provisions		
Provision for Doubtful Debts and Advances	511	(1,099)
Foreign Taxation	27	(4)
Provision for loss on unfinished voyage	-	-
Loss allowances on Financial Assets	-	39
Total	**8,900**	**7,255**

*** Amount of Rs (71) lakhs for the year ended 31st March 2018 includes recovery of telephone expenses from floating staff.

Note 26(a): Details of payments to auditors

Particulars	31 March 2018	31 March 2017
Payment to auditors		
Statutory auditors		
a) Audit fees	32	31
b) Certification Work	29	22
c) Travelling & Out of Pocket Expenses	4	7
Total	**65**	**60**

Note 26(b): Corporate social responsibility expenditure

31 March 2018

Particulars	Total
Gross amount required to be spent by the Company during the year	585
Amount spent and paid during the year on	170
(a) Construction/acquisition of any asset	80
(b) On purpose other than (a) above	89
Total	**169**

31 March 2017

Particulars	Total
(i) Gross amount required to be spent by the Company during the year	319
(ii) Amount spent and paid during the year on	316
(a) Construction/acquisition of any asset	219
(b) On purpose other than (a) above	97
Total	**316**

Note 27: Earnings per share

Particulars	31 March 2018	31 March 2017
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company (A)	30,650	18,238
Basic and Diluted earnings per share attributable to the equity holders of the company (A/B)	6.58	3.92

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(b) Weighted average number of shares used as the denominator

Particulars	31 March 2018 No. of shares	31 March 2017 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 28: Contingent Liabilities And Commitments

(a) Contingent Liabilities

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	**Claims against the company not acknowledged as debts**			
	a) State Governments/ Local Authorities	1,471	1,531	3,193
	b) CPSEs	1,348	2,507	2,425
	c) Central Government Departments			
	a) Income Tax & Sales Tax*	25,522	19,306	19,306
	b) Service Tax*	163,072	163,056	97,108
	c) Others	-	250	250
	d) Others	21,437	20,798	29,536
II.	**Guarantees given by the Banks**			
	On behalf of the company	2,333	3,352	4,907
	On behalf of Joint Venture to the extent of the company's share	4,659	6,197	7,183
III.	**Undertaking cum Indemnity given by Company**	nil	nil	nil
IV.	**Cargo claims covered by P&I Club**	nil	78	4,779
V.	**Bonds/Undertakings given by the Company to Customs Authorities**	40,329	28,756	28,341
VI.	**Corporate Guarantees/Undertakings**			
	a) In respect of Joint ventures	Not Ascertained	Not Ascertained	Not Ascertained
	b) Others	3,898	3,616	3,957

(b) Contingent Assets

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	**Claims by the Company not acknowledged as asset**			
	a) State Governments/ Local Authorities	nil	nil	nil
	b) CPSEs	nil	nil	nil
	c) Central Government Departments	150	nil	nil
	d) Others	545	nil	nil

(c) Commitments

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	1,656	30,456	nil
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	nil	5,017

Note: Status of contingent Liabilty with reference to the opening balance as on 01-04-2017

There is a reduction of Rs 554.97 lakhs from opening balance in cases of Central Government Departments
There is a reduction of Rs 1850.50 lakhs from opening balance in cases of CPSE
There is a reduction of Rs 94.75 lakhs from opening balance in cases of Local Authority
There is a reduction of Rs 319.23 lakhs from opening balance in cases of others
* The contingent Liability includes cases decided in favour of SCI amounting to Rs 14800 lakhs. Thereafter, department have gone in appeal.

Note 29: Income taxes

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

(a) Deferred Tax

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax relates to the following:			
Upward fair valuation of PPE	10,395	38,822	39,447
Net Deferred Tax Liabilities	**10,395**	**38,822**	**39,447**

Reason for decrease in Deferred Tax Liability(DTL)

As per the requirement of section 55(2(b)(i) of Income Tax Act,1961 "where the capital asset became the property of the assessee before the [1st day of April, [2001]], means the cost of acquisition of the asset to the assessee or the fair market value of the asset on the [1st day of April, [2001]], at the option of the assessee".

Accordingly, SCI has opted to choose the fair market value of the asset as on 01.4.2001 as its cost of acquisition which has resulted into decrease in capital gain tax liability.

(b) Movement in deferred tax liabilities

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	38,822	39,447
Tax income/expense during the period recognised in profit or loss	28,427	(625)
Closing balance as at March 31	**10,395**	**38,822**

(c) Income tax recognised in profit or loss

Particulars	31 March 2018	31 March 2017
Income tax expense		
Current tax		
Current tax on profits for the year	6,000	6,105
Deferred tax	(28,427)	(625)
MAT Credit adjusted	-	(1,132)
Income tax expense	**(22,427)**	**4,348**

(d) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2018	31 March 2017
Profit before income tax expense	2,948	18,576
Less: Income subject to tonnage taxation	(15,481)	2,666
Profit before tax, adjusted	**18,429**	**15,910**
Tax computed using statutory tax rate of 34.61 %	6,378	5,506
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Impact of tonnage tax scheme	1,053	1,086
Difference in tax gains and book gains (Capital gains)	(1,769)	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
Exempt income - Dividend from mutual funds	(71)	(15)
Deferred tax not recognised due to tonnage tax scheme		-
MAT credit utilised for the year		(1,132)
Reversal of Deferred Tax Liability		(625)
Others	409	(177)
Income tax expense	**6,000**	**4,644**

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 2018	31 March 2017
Opening balance	-	-
Add: Current tax payable for the year	6,000	6,105
Less: Taxes paid	(6,000)	(6,105)
Closing balance	**-**	**-**

Note 30: Correction of errors in accounting

In order to decide materiality for determining prior period items as per Ind AS 8, the Group has fixed various thresholds limits for different category of items / transactions depending on the size and nature of amount.

On the basis of various threshold limits for determining prior period items for FY 2017-18, the errors mentioned below are in nature of "Remaining items" i.e., other category item for which transaction level limit decided is Rs 10 lakhs for each item and overall limit is Rs 1 crore for each item.

Due to error and omissions, during the year 2017-18, few expenses/income incurred/receivable on behalf of managed vessels/owned were not correctly booked. The provision for deferred tax liability in previous year was miscalculated due to misinterpretation of letter of allotment of land.

The errors have now been corrected by restating each of the affected Financial Statement line items for the prior years.

Balance Sheet (Extract)	31-03-2017 (as Previously reported)	Increase/ (Decrease)	31 March 2017 (Restated	31/03/2016	Increase/ (Decrease)	1 April 2016 (Restated)
Other financial assets	15,931	1,026	16,957	10,056	172	10,228
Financial Trade payables	(113,645)	74	(113,571)	(109,396)	74	(109,322)
Other Financial Liabilities	(160,048)	(100)	(160,148)	(145,173)	(100)	(145,273)
Deferred tax liabilities	(34,362)	(4,460)	(38,822)	(35,163)	(4,284)	(39,447)
Net Assets	692,871	(3,460)	689,411	673,758	(4,138)	669,620
Retained Earnings	692,871	(3,460)	689,411	673,758	(4,138)	669,620
Total Equity	692,871	(3,460)	689,411	673,758	(4,138)	669,620

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Statement of Profit & Loss (Extract)	31-03-2017 (as Previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)
Revenue from operations	344,687	48	344,735
Employees Benefit Expense	42,619	(804)	41,815
Profit/(loss) before tax	17,714	852	18,566
(1) Current tax	6,105	-	6,105
(2) Deferred tax	(801)	176	(625)
Mat Credit adjusted	(1,132)	-	(1,132)
Total Tax Expense	4,172	176	4,348
Profit/(Loss) for the year	17,560	676	18,236
Other Comprehensive Income/(Loss) for the year	1,555	-	1,555
Total Comprehensive Income/(Loss) for the year	19,115	676	19,791
Earning Per share			
Basic earnings per share	3.77	0.15	3.92
Diluted earnings per share	3.77	0.15	3.92

Statement of Cash flows (Extract)	31-03-2017 (as Previously reported)	Increase/ (Decrease)	31 March 2017 (Restated)
Net cash inflow from operating activities	68,200	51	68,251
Net cash (outflow) from investing activities	(8,535)	(52)	(8,587)

Note 31: 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
2. Smt H.K Joshi
3. Shri S.V Kher
4. Shri Bipin Bihari Sinha (Resigned w.e.f. 12.08.2017)
5. Shri Sarveen Narula (Superannuated on 31.07.2017)
6. Smt. Sangeeta Sharma (w.e.f. 29.12.2017)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

7. Shri Rajesh Sood (w.e.f. 29.12.2017)
8. Shri Surinder Pal Singh Jaggi (w.e.f. 24.04.2018)
9. Shri Dipankar Haldar

Non Executive Director

1. Shri Pradeep Kumar (ceases to be on the Board of SCI w.e.f. 27.07.2017)
2. Shri Pravir Krishn (ceases to be on the Board of SCI w.e.f. 25.07.2017)
3. Smt. Leena Nandan (w.e.f. 03.08.2017)
4. Shri Satinder Pal Singh (w.e.f. 28.08.2017)
5. Shri Arun Balakrishnan
6. Shri Sukamal Chandra Basu
7. Shri Gautam Sinha (w.e.f. 29.09.2017)
8. Shri Raj Kishore Tewari (w.e.f. 29.09.2017)
9. Shri P. Kanagasabapathi (w.e.f. 20.11.2017)

Key management personnel compensation

	Short-term employee benefits		Post-employment benefits		Long-term employee benefits		Employee share-based payment	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
1. Shri A.K.Sharma	36	15	4	2	-	-	-	-
2. Shri B.B. Sinha	39	36	2	18	-	-	-	-
3. Shri S.Narula	30	28	2	18	-	-	-	-
4. Shri S.V. Kher	49	30	7	17	-	-	-	-
5. Smt H.K. Joshi	48	26	7	7	-	-	-	-
6. Shri K.Devadas (Retired on 28.02.2017)	-	47	-	17	-	-	-	-
7. Smt. Sangeeta Sharma (w.e.f. 29.12.2017)	8	-	2	-	-	-	-	-
8. Shri Rajesh Sood (w.e.f. 29.12.2017)	8	-	2	-	-	-	-	-
9. Shri Dipankar Haldar	37	26	6	17	-	-	-	-
Total	**255**	**210**	**32**	**95**	**-**	**-**	**-**	**-**

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 2018	31 March 2017
1) Interest Income	1,674	2,086
2) Interest receivable	100	305
3) Expenses Reimbursed	37	77
4) Management & Accounting fees earned	1,670	1,476
5) Guarantee fees received	54	61
6) Interest Charged	-	(1,221)
7) Investment made during the year	-	4,631
8) Loans realised during the year	3,196	2,155
9) Guarantees Given for JVS	6,762	6,197
10) Loans Given during the year	-	386
11) Interest amount compounded in to principal	25	47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transactions	31 March 2018	31 March 2017
Outstanding Balances		
1) Investments	7,408	7,408
2) Loan Balances	23,325	26,421
3) Payable on account of Ship	19,280	19,223

(f) Transactions with Subsidiary

(g) Transactions with Government related entities

Significant Transactions

Government related entities along with description of relationship wherein significant amount of transaction carried out:

Name of Government related entity	Relation	Nature of transaction	31 March 2018	31 March 2017
Indian Oil Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	45,001	46,038
Hindustan Petroleum Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	52,067	71,232
Bharat Petroleum Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	19,406	22,559
Oil And Natural Gas Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	12,340	17,880
Mangalore Refinery and Petrochemicals Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	25,756	35,953
Chennai Petroleum Corporation Limited	Central PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	12,418	10,413
Poompuhar Shipping Corporation Limited	State PSU	Revenue from Freight/ Charter Hire/Demurrage etc.	7,998	1,837
Indian Oil Corporation Limited	Central PSU	Purchases of Bunker, Oil etc.	12,239	9,962
Hindustan Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc.	11,710	8,738
Bharat Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc.	2,754	3,080
Indian Oil Corporation Limited	Central PSU	Trade Receivable	7,455	3,367
Hindustan Petroleum Corporation Limited	Central PSU	Trade Receivable	6,317	3,371
Bharat Petroleum Corporation Limited	Central PSU	Trade Receivable	2,643	2,245
Oil And Natural Gas Corporation Limited	Central PSU	Trade Receivable	5,752	15,847
Poompuhar Shipping Corporation Limited	State PSU	Trade Receivable	7,165	3,339
Mangalore Refinery and Petrochemicals Limited	Central PSU	Trade Receivable	1,246	3,394
Chennai Petroleum Corporation Limited	Central PSU	Trade Receivable	1,133	563
Indian Oil Corporation Limited	Central PSU	Trade Payable	675	157
Hindustan Petroleum Corporation Limited	Central PSU	Trade Payable	596	387
Bharat Petroleum Corporation Limited	Central PSU	Trade Payable	286	171
Vizag Port Trust	Trust under MPT Act	Trade Payable	5,917	4,233
Cochin Port Trust	Trust under MPT Act	Trade Payable	4,609	2,412

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

Other than Significant Transactions

Particulars	31 March 2018	31 March 2017
Revenue	45,689	13,799
Purchases/services	37,305	8,775
Trade Receivable	1,797	1,335
Trade Payable	20,297	13,450

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 2018	31 March 2017
Sitting Fees	13.4	10

Note 32: Segment information

(a) Business Segments

The Group 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 age of the vessel i.e. (Built year – current year) +1.

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Interest income is 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 2018	31 March 2017
Liner	7,966	(9,554)
Bulk	(631)	(20,425)
Tanker	479	51,416
T&OS	2,833	3,036
Others	1,478	1,329
Unallocated	5,446	3,355
Total adjusted EBIT	**17,571**	**29,157**

*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 2018	31 March 2017
Total adjusted EBIT	17,571	29,157
Finance costs		
Liner	231	285
Bulk	4,417	6,398
Tanker	6,178	6,562
T&OS	2,239	2,462
Others	-	-
Unallocated	4,913	1,508
Total Finance costs	17,978	17,215
Interest income from investments	8,630	10,644
Profit before income tax from continuing operations	**8,223**	**22,586**

Depreciation included in adjusted EBIT

Particular	31 March 2018	31 March 2017
Liner	1,830	1,777
Bulk	10,273	9,805
Tanker	41,770	38,847
T&OS	7,152	6,178
Others	-	-
Unallocated	-	-
Total Depreciation included in adjusted EBIT	**61,025**	**56,607**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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 2018			31 March 2017		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	67,638		67,638	44,590		52,129
Bulk	41,394		41,394	20,641		22,788
Tanker	213,135		213,135	258,010		294,788
T&OS	22,746		22,746	19,631		19,631
Others	2,034		2,034	1,863		1,863
Total Segment Revenue	**346,947**	**-**	**346,947**	**344,735**	**-**	**391,199**
Unallocated:	5,982		5,982	3,879		3,879
Total segment revenue as per profit and loss	**352,929**	**-**	**352,929**	**348,614**	**-**	**395,078**

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2018 and 31st March 2017 were as follows:

Revenue from external customers	31 March 2018			31 March 2017		
	Tanker Segment	Liner Segment	Total	Tanker Segment	Liner Segment	Total
Hindustan Petroleum Corporation Ltd.	52,058	9	52,067	71,164	68	71,232
Indian Oil Corporation Ltd	43,888	1,113	45,001	45,439	599	46,038
Mangalore Refinery And Petrochemicals Ltd	25,756	-	25,756	35,953	-	35,953

The Group 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 2018	31 March 2017
India	273,756	262,713
Singapore	21,343	30,216
Other Countries	51,848	51,806
Total	346,947	344,735

(e) Segment assets

Segment	31 March 2018		31 March 2017		1 April 2016	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	66,963		56,023		46,343	
Bulk	179,920		175,174		183,100	
Tanker	663,899		662,388		705,685	
T & OS	155,810		148,613		131,366	
Others	891		747		580	
Total segment assets	**1,067,483**	**-**	**1,042,945**	**-**	**1,067,074**	**-**
Unallocated:	386,243		411,910		408,776	
Total assets as per the Balance Sheet	**1,453,726**	**-**	**1,454,855**	**-**	**1,475,850**	**-**

*Segment Assets includes ₹ 13660, ₹ 6135 lacs and ₹ 1410 lacs for 31st march 18, 31st march 17 and 1st April 16 respectively on account of equity consolidation of joint ventures

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(f) Segment liabilities

Segment	31 March 2018	31 March 2017	1 April 2016
Liner	116,274	78,125	81,061
Bulk	23,413	18,206	10,470
Tanker	56,939	74,701	69,406
T & OS	24,719	26,658	16,509
Others	680	577	473
Total segment liabilities	**222,025**	**198,267**	**177,919**
Unallocated:	508,285	567,177	628,311
Total liabilities as per the Balance Sheet	**730,310**	**765,444**	**806,230**

Note 33: 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 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) 31/03/2017	**9,422**	**15,823**	**(6,401)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
(iii)Unrecognised Asset at the beginning of the period		1,250	1,250
(iv) Asset recognised during the year (Asset Celing)		208	(208)
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	1,042	1,042
Total amount recognised in other comprehensive income [(i) & (iv)]	**(537)**	**454**	**(991)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2017 [(ii) + (iii)+ (iv)]			**(5,359)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2017	9,422	15,823	(6,401)
Current service cost	544	-	544
Past service cost	3,070	-	3,070
Interest expense/(income)	713	1,123	(410)
Total amount recognised in profit and loss	**4,327**	**1,123**	**3,204**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		(374)	374
(Gain)/loss from change in financial assumptions	(321)	-	(321)
Experience (gains)/losses	(99)	-	(99)
(i) Amount recognised in other comprehensive income	(420)	(374)	(46)
Employer contributions			-
Benefit payments	(1,101)	(1,101)	-
Unrecognised Asset due to Limit in Para 64(b)			-
(ii) 31 March 2018	**12,228**	**15,471**	**(3,243)**
(iii)Unrecognised Asset at the beginning of the period		1,042	1,042
(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)]	-	-	-
Total amount recognised in other comprehensive income [(i) & (iv)]	**(420)**	**668**	**(1,088)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2018 [(ii)+(iii)+(iv)]			

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 2018	31 March 2017	1 April 2016
Present value of funded obligations	12,228	9,422	10,037
Fair value of plan assets	15,471	15,823	15,722
Deficit of funded plan	**(3,243)**	**(6,401)**	**(5,685)**
Unrecognised Asset due to Limit in Para 64(b)		1,042	1,250
Deficit of gratuity plan	**(3,243)**	**(5,359)**	**(4,435)**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the Balance Sheet date: Financial Assumptions	31-Mar-18	31-Mar-17	1-Apr-16
Discount Rate	7.87%	7.35%	7.85%
Salary Escalation Rate	7.50%	7.50%	7.50%
Expected Return on Assets	7.87%	7.35%	7.85%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Demographic Assumptions	31-Mar-18	31-Mar-17	01-Apr-16
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	58/60 years	58/60 years	58/60 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-18		31-Mar-17	
Defined Benefit Obligation (Base)	12228		9422	
Sensitivity Analysis Table 14 : Sensitivity Analysis	**31-Mar-18**		**31-Mar-17**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate	684	614	9901.00	8997.00
Impact of increase/decrease in 50 bps on DBO				
Salary Growth Rate	491	549	9105.00	9780.00
Impact of increase/decrease in 50 bps on DBO				

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	31-Mar-17 to 31-Mar-18	31-Mar-16 to 31-Mar-17
Unrecognised Asset, Beginning of Period	1042	1250
Asset recognised during the year	1042	208
Unrecognised Asset, End of Period	-	1042

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-18				31-Mar-17				1-Apr-16			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India Securities	**5,016**	**-**	**5,016**	**32%**	**6,644**	**-**	**6,644**	**42%**	**5,898**	**-**	**5,898**	**37%**
Debt instruments												
Investment in Bonds	1,893	-	1,893	12%	1,956	-	1,956	12%	3,872	-	3,872	25%
Other Assets including accrued interest	**491**	**249**	**740**	**5%**	**243**	**347**	**590**	**4%**	**42**	**404**	**446**	**3%**
Investment in Deposits including Bank Balance	**-**	**7822**	**7,822**	**51%**	**-**	**6633**	**6,633**	**42%**	**-**	**5506**	**5,506**	**35%**
Total	**7,400**	**8,071**	**15,471**	**100%**	**8,843**	**6,980**	**15,823**	**100%**	**9,812**	**5,910**	**15,722**	**100%**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 Rs 749 lakh (Prev. period Rs 1430 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 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 17.15 years (2017 – 17.78 years).

(C) Leave Encashment (Unfunded)

Balance Sheet amount (Leave Encashment)

Particulars	Present value of obligation
1 April 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**

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

Particulars	Present value of obligation
31 March 2017	5,638
Current service cost	317
Interest expense/(income)	406
Actuarial (Gain)/loss from change in financial assumptions	(145)
Actuarial - Experience (gains)/losses	1,854
Total amount recognised in profit and loss	2,432
Benefit payments*	(2,789)
31 March 2018	**5,281**

The net liability disclosed above relates to unfunded plan are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of unfunded obligations	5,281	5,638	5,702
Deficit of leave encashment plan	**5,281**	**5,638**	**5,702**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the Balance Sheet date:

Financial Assumptions	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Discount Rate Salary Escalation Rate	7.87% 7.50%	7.35% 7.00%	7.85% 7.50%
Demographic Assumptions	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
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	58/60 years	58/60 years	58/60 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-18		**31-Mar-17**	
Defined Benefit Obligation (Base)	5,281		5,638	
(M) Sensitivity Analysis	**31-Mar-18**		**31-Mar-17**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	311	276	5869	5424
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	215	223	5423	5868

The weighted average duration of the defined benefit obligation is 17.15 years (2017 – 17.78 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**	**Fair value of plan assets**	**Net amount**
01 April 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**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2017	2,315	1,335	980
Past service cost	306		306
Interest expense/(income)	170	90	80
Total amount recognised in profit and loss	476	90	386
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		(110)	110
(Gain)/loss from change in demographic assumptions			
(Gain)/loss from change in financial assumptions	(44)		(44)
Experience (gains)/losses	(81)		(81)
Total amount recognised in other comprehensive income	(125)	(110)	(15)
Employer contributions	-		-
Benefit payments	(224)	(224)	-
31 March 2018	**2,442**	**1,091**	**1,351**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Present value of funded obligations	2,442	2,315	2,159
Fair value of plan assets	1,091	1,335	-
Deficit of funded plan	**1,351**	**980**	**2,159**
Deficit of Post Retirement Medical Benefit Scheme plan	**1,351**	**980**	**2,159**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Financial Assumptions	31-March-18	31-March-17	1-April-16
Discount Rate	7.79%	7.35%	7.85%
Expected Return on Assets	7.79%	7.35%	-
Demographic Assumptions	**31-March-18**	**31-March-17**	**1-April-16**
Mortality Table	ILIC (1996-98) Ult (Annuitant)	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-March-18		31-March-17	
Defined Benefit Obligation (Base)	2442		2,315	
Table 12 : Sensitivity Analysis	**31-March-18**		**31-March-17**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	51	46	2,359	2,273

(All amounts in INR lakhs, unless otherwise stated)

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-18				31-Mar-17			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	0	1085	1085	99%	0	1326	1326	99%
Other Assets including accrued interest	0	6	6	1%	0	9	9	1%
Total	-	**1,091**	**1,091**	**100%**	-	**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 10.21 years (2017 – 17.78 years).

Note 34: Assets pledged as security

	Notes	31 March 2018	31 March 2017	1 April 2016
Current				
Financial Assets				
Other bank balances	6(g)	12,348	36,716	24,910
Non-current investments	6(a)	7359	7359	2728
Total current assets pledged as security		**19,707**	**44,075**	**27,638**
Non-current				
Plant and Equipment	3	757,633	812,897	826,230
Total non-current assets pledged as security		**757,633**	**812,897**	**826,230**
Total assets pledged as security		**777,340**	**856,972**	**853,868**

Note 35: 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, 2018, March 31, 2017 and April 1, 2016. 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, 2018						
Financial assets						
i. Investments	26,753	-	26,753	-	-	26,753
ii. Trade receivables	60,858	-	60,858	-	-	60,858
iii. Cash and cash equivalents	26,059	-	26,059	-	-	26,059
iv. Bank balances other than (iii) above	86,957	-	86,957	-	12,348	74,609
v. Loans	25,503	-	25,503	-	-	25,503

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	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
vi. Other financial assets	37,366	-	37,366	-	-	37,366
Total	**263,496**	**-**	**263,496**	**-**	**12,348**	**251,148**
Financial liabilities						
i. Borrowings	458,098	-	458,098	-	-	458,098
ii. Trade payables						
Micro, Small and Medium Enterprises	2,579	-	2,579	-	-	2,579
Others	95,787	-	95,787	-	-	95,787
iii. Other financial liabilities	116,720	-	116,720	-	-	116,720
Total	**673,184**	**-**	**673,184**	**-**	**-**	**673,184**
March 31, 2017						
Financial assets						
i. Investments	13,602	-	13,602	-	-	13,602
ii. Trade receivables	65,870	-	65,870	-	-	65,870
iii. Cash and cash equivalents	57,127	-	57,127	-	-	57,127
iv. Bank balances other than (iii) above	80,442	-	80,442	-	36,716	43,726
v. Loans	28,446	-	28,446	-	-	28,446
vi. Other financial assets	16,989	-	16,989	-	-	16,989
Total	**262,476**	**-**	**262,476**	**-**	**36,716**	**225,760**
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	113,571	-	113,571	-	-	113,571
iii. Other financial liabilities	160,186	-	160,186	-	-	160,186
Total	**680,525**	**-**	**680,525**	**-**	**-**	**680,525**
April 1, 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	30,567	-	30,567	-	-	30,567
vi. Other financial assets	10,319	-	10,319	-	-	10,319
Total	**245,598**	**-**	**245,598**	**-**	**24,910**	**220,688**
Financial liabilities						
i. Borrowings	455,619	-	455,619	-	-	455,619
ii. Trade payables						
Micro, Small and Medium Enterprises	515	-	515	-	-	515
Others	109,322	-	109,322	-	-	109,322
iii. Other financial liabilities	145,282	-	145,282	-	-	145,282
Total	**710,738**	**-**	**710,738**	**-**	**-**	**710,738**

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(All amounts in INR lakhs, unless otherwise stated)

Note 36: Fair value measurements

Financial instruments by category

	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments									
- Equity instruments	118	-	-	99	-	-	99	-	-
- Mutual funds	5,605	-	-	-	-	-	3,746	-	-
- Government securities	-	-	-	-	-	-	-	-	-
Loans	-	-	25,503	-	-	28,446	-	-	30,567
Trade receivables	-	-	60,858	-	-	65,870	-	-	68,183
Cash and cash equivalents	-	-	26,059	-	-	57,127	-	-	49,682
Other bank balances	-	-	86,957	-	-	80,442	-	-	78,864
Bank deposits with more than 12 months maturity	-	-	87	-	-	20	-	-	79
Other financial assets	-	-	37,279	-	-	16,969	-	-	10,240
Total financial assets	**5,723**	**-**	**236,743**	**99**	**-**	**248,874**	**3,845**	**-**	**237,615**
Financial liabilities									
Borrowings	-	-	458,098	-	-	405,183	-	-	455,619
Trade payables	-	-	98,366	-	-	115,156	-	-	109,837
Current maturities of long term debt	-	-	100,439	-	-	144,046	-	-	128,857
Other financial liabilities	-	-	16,281	-	-	16,140	-	-	16,425
Total financial liabilities	**-**	**-**	**673,184**	**-**	**-**	**680,525**	**-**	**-**	**710,738**

(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 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	6(d)	5,605	-	-	**5,605**
Financial Investments at FVTPL					
Unquoted equity instruments -Woodland Speciality Hospital Ltd	6(a)	-	-	118	**118**
Total financial assets		**5,605**	**-**	**118**	**5,723**

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Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	6(b)	-	-	-	**-**
Loans to others	6(b)	-	-	1573	**1,573**
Bank deposits	6(c)	-	87	-	**87**
Total financial assets		**-**	**87**	**1,573**	**1,660**
Financial Liabilities					
Borrowings	13(a)	-	431,096	-	**431,096**
Security deposits	13(b)	-	-	94	**94**
Total financial liabilities		**-**	**431,096**	**94**	**431,190**

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 -Woodland Speciality Hospital Ltd	6(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	6(b)	-	-	-	**-**
Loans to others	6(b)	-	-	1,467	**1,467**
Bank deposits	6(c)	-	20	-	**20**
Total financial assets		**-**	**20**	**1,467**	**1,487**
Financial Liabilities					
Borrowings	13(a)	-	451,809	-	**451,809**
Security deposits	13(b)	-	-	38	**38**
Total financial liabilities		**-**	**451,809**	**38**	**451,847**

Assets measured at fair value - recurring fair value measurements At 1 April 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Dividend plan	6(d)	3,746	-	-	**3,746**
Financial Investments at FVTPL					
Unquoted equity instruments -Woodland Speciality Hospital Ltd	6(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 1 April 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	6(b)	-	-	-	**-**

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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 1 April 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans to others	6(b)	-	-	1,500	**1,500**
Bank deposits	6(c)	-	79	-	**79**
Total financial assets		**-**	**79**	**1,500**	**1,579**
Financial Liabilities					
Borrowings	13(a)	-	584,713	-	**584,713**
Security deposits	13(b)	-	-	9	**9**
Total financial liabilities		**-**	**584,713**	**9**	**584,722**

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 2018 and 31 March 2017:

Particulars	**Unlisted Equity Securities**
As at 1 April 2016	99
Acquisitions	-
Gains(losses) recognised in Statement of profit or loss	-
As at 31 March 2017	**99**
Acquisitions	-
Gains(losses) recognised in Statement of profit or loss	19
As at 31 March 2018	**118**

Particulars	**Fair Value as at**			**Significant unobservable inputs**	**Sensitivity**		
	31 March 2018	**31 March 2017**	**1 April 2016**		**2018**	**2017**	**2016**
Valuation inputs and relationship to fair value - Investment in Equity Securities held for sale (non recurring)	7	7	7	Net book values	Not applicable		
Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)*	118	99	99	Net book values	increase (decrease) in the book value would result in increase (decrease) in fair value		

* Net book value as on 31st March, 2018 is calculated based on latest available Financial Statements (i.e. 31st March 2017)

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(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 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to related parties	-	-	-	-	-	-
Loans to employee	1,573	1,573	1,467	1,467	1,500	1,500
Bank deposits	87	87	20	20	79	79
Total financial assets	**1,660**	**1,660**	**1,487**	**1,487**	**1,579**	**1,579**
Financial Liabilities						
Borrowings	431,096	431096	451,809	451809	584,476	584,713
Security deposits	94	94	38	38	9	9
Total financial liabilities	**431,190**	**431,190**	**451,847**	**451,847**	**584,485**	**584,722**

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 37: 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) (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 simplified 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, provisioning is made on case to case basis 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 2018	31 March 2017	1 April 2016
Gross carrying amount of trade receivables	81,827	85,844	90,685
Less : Expected credit losses	12504	13,512	15,448
Less : Provision made separately for bankrupt/terminated agents	3849	3,178	2,833
Less : Provision for off hire	3051	2,193	2,651
Less : Provision for Demurrage	1565	1,091	1,570
Carrying amount of trade receivables (net of impairment)	**60,858**	**65,870**	**68,183**

(iv) Reconciliation of loss allowance provision - Trade receivables :

Particulars	Amount
Loss allowance on 1st April 2016	**15,448**
Changes in loss allowance	(1,936)
Loss allowance on 31st March 2017	**13,512**
Changes in loss allowance	(1,008)
Loss allowance on 31st March 2018	**12,504**

(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 2018	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	242,633	292,072	64,769	599,474
Trade payables	98,366	-	-	98,366
Security and other deposits	627	94	-	721
Others financial liabilities	15,560	-	-	15,560
Total liabilities	**357,186**	**292,166**	**64,769**	**714,121**

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	115,156	-	-	115,156
Security and other deposits	1,038	38	-	1,076
Others financial liabilities	15,064	-	-	15,064
Total liabilities	**344,158**	**347,279**	**4,204**	**695,641**

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Contractual maturities of financial liabilities 1 April 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	109,837	-	-	109,837
Security and other deposits	959	9	-	968
Others financial liabilities	15,457	-	-	15,457
Total non-derivative liabilities	**269,726**	**455,967**	**27,911**	**753,604**

(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 2018			31 March 2017			1 April 2016		
	USD	EUR	Others	USD	EUR	Others	USD	EUR	Others
Financial assets									
Current assets	1,647	-	97	917	-	87	381	-	134
Current Loans & Advances	23,302	-	-	17,902	-	-	19,480	-	-
Cash and cash equivalents	22,335	702	253	2,099	648	424	5,799	15	599
Other Bank Balances	2,254	-	-	-	-	-	-	-	-
Trade Receivables	29,606	5,640	10,311	24,113	5,261	9,561	27,948	5,226	11,003
Exposure to foreign currency risk (assets)	**79,144**	**6,342**	**10,661**	**45,031**	**5,909**	**10,072**	**53,608**	**5,241**	**11,736**
Financial liabilities									
Long Term (Non-Current) Borrowings	330,657	-	-	307,763	-	-	454,776	-	-
Current maturities of long term borrowings	100,439	-	-	143,204			127,128		
Other current Liabilities	53,300	129	(1,910)	4,512	46	1	4,178	49	1
Short Term Borrowings	127,441	-	-	77,820	-	-	-	-	-
Trade Payables	40,573	5,094	10,488	73,269	4,320	9,940	73,257	4,883	6,394
Exposure to foreign currency risk (liabilities)	**652,410**	**5,223**	**8,578**	**606,568**	**4,366**	**9,941**	**659,339**	**4,932**	**6,395**

(b) Sensitivity

The following table details the Company's sensitivity to a 3% 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 2018	31 March 2017
USD sensitivity		
INR/USD -Increase by 3% (31 March 2017- 5%)	(17,198)	(28,077)
INR/USD -Decrease by 3% (31 March 2017- 5%)	17,198	28077

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	Impact on profit after tax	
	31 March 2018	31 March 2017
EUR sensitivity		
INR/EUR -Increase by 1% (31 March 2017- 1%)	11	15
INR/EUR -Decrease by 1% (31 March 2017- 1%)	(11)	(15)

(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.

(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 2018	31 March 2017	1 April 2016
Variable rate borrowings	561,784	533,080	587,256
Total borrowings at variable rate	**561,784**	**533,080**	**587,256**

(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 2018	31 March 2017
Interest rates – increase by 100 basis points (100 bps)	(5,618)	(5,331)
Interest rates – decrease by 100 basis points (100 bps)	5,618	5,331

(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 38: Capital management

(a) Risk management

The Group's objectives when managing capital are to safeguard the Group'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 Group 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 2018	31 March 2017	1 April 2016
Net Debt	431,096	451,809	584,476
Total Equity	723,416	689,411	669,620
Net debt to equity ratio	**0.60**	**0.66**	**0.87**

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(b) Loan covenants

The Group has 11 ECB Loan Agreement wherein 9 of the agreements have a financial covenant of Debt Service Coverage Ratio (DSCR). The Group has not been able to meet the DSCR covenant. However the Group has given an alternate covenant of 'Minimum Cash Covenant' in lieu of the DSCR covenant in 4 of the loans and other 5 lenders have waived the DSCR default.

Note 39: During the year ended 31st March, 2018, the company lost MV SCI Ratna an Offshore Support Vessel 96 nautical miles off the coast of Mumbai on 21st November 2017. The WDV of the vessel was Rs 7535 .61 lakhs. The vessel was insured with Hull Underwriter under Hull & Machinery cover. The Company has submitted total loss claim of USD 11,000,000 to M/s Oriental Insurance Co Ltd and same was settled during the year. The Company has recognised the claim amount and loss of Rs 485.89 lakhs during the year.

Note 40: The following changes were made in accounting policy for recognising of foreign currency transactions and balances during the year:

Old Policy -

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.

New Policy -

All foreign currency transactions are recorded at the previous day's available RBI reference rate/exchange rate. Since the RBI reference rate is available for four major currencies only i.e., USD, UKP, EUR, YEN, exchange rates of other currencies are taken from xe.com website.

The foreign currency balances in US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the available RBI reference rate/exchange rate at the period end. The foreign currency balances other than US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the rate available on xe.com website at the period end. Thereafter, the monetary assets and monetary liabilities as well as the Long Term Loans are translated into rupees at RBI reference rate/exchange rate prevailing at the period end.

The effects of above changes are not determinable. However, the Company does not expect any material impact on the financial results for the year.

Note 41: The revenue from operations includes reimbursement of management expenses of Rs 120.91 Crores from Customers (Refer note no.19). The management has revised the method of allocation of "Management Expenses" on these vessels w.e.f.1st April 2017. The revised method of allocating the expenses has resulted into increase of revenue by Rs 78 Crores (approx.) for the financial year 2017-18. The same is in process of approbation by the respective Customers.

Note 42(a): 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 42(b): 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 43: Companies considered for consolidation

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

Name	Nature of Interest	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.03.18 (As on 31.03.17)
1. India LNG Transport Company (No. 1) Ltd.	Joint venture	Equity	Malta	29.08%(29.08%)
2. India LNG Transport Company (No. 2) Ltd.	Joint venture	Equity	Malta	29.08%(29.08%)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Name	Nature of Interest	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.03.18 (As on 31.03.17)
3. India LNG Transport Company (No. 3) Ltd.	Joint venture	Equity	Malta	26.00%(26.00%)
4. India LNG Transport Company (No. 4) Ltd.	Joint venture	Equity	Singapore	26.00% (26.00%)
5. Inland & Coastal Shipping Limited	Subsidiary	Equity	India	100.00% (100%)

The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano Hind Shipping Company (IHSC) and splitting the assets/liabilities of IHSC between Joint Venture partners shall be undertaken. IHSC is a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). Substantive efforts are made to eventually dissolve the JV which is depending on geo political environment and sanctions imposed by UN which is completely beyond SCI's control. SCI shall remain committed by the decision of cabinet and therefore is making all efforts for dissolution of JV. Further, Government of India vide letter dated 08th May 2018 has advised SCI to go ahead with the dissolution of IHSC. Therefore IHSC has been excluded from the consolidation.

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

Note 44: 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, 2018	As at 31st March, 2017	As at 1st April, 2016
1	INLAND & COASTAL SHIPPING LTD.	India	Inland Waterways	100%	100%	NIL

(b) Interest in associate and joint ventures

(i) Set out below are the associates and joint ventures of the Group as at 31 March 2018 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, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	India LNG Transport Co. (No. 1) Ltd.	Malta	LNG Carriers	29.08%	29.08%	29.08%	7427	4841	2098
2	India LNG Transport Co. (No. 2) Ltd.	Malta	LNG Carriers	29.08%	29.08%	29.08%	7212	4999	2040
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%	6392	3663	0
5	Irano Hind Shipping Co. Ltd.	Iran	Shipping	49.00%	49.00%	49.00%	0	0	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Summarised Balance Sheet	ILT 1			ILT 2			ILT 3			ILT 4		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March 2017	As at 1st April, 2016
Current Assets												
Cash and Cash Equivalents	10254	9563	9404	10646	9709	7075	9445	11464	10589	6955	2368	379
Other Assets	3195	2100	1859	1511	1784	1646	1613	1054	1680	1611	1088	41
Total Current Assets	**13449**	**11663**	**11263**	**12157**	**11493**	**8721**	**11058**	**12518**	**12269**	**8566**	**3456**	**421**
Total Non - Current Assets	**78748**	**82276**	**87974**	**84608**	**85699**	**91507**	**127449**	**129146**	**136412**	**136033**	**144225**	**61476**
Current Liabilities												
Financial Liabilities (excl. trade payables)	17218	21618	25685	16785	20903	24723	66009	65495	67029	5006	6665	2299
Other Liabilities	16	859	2663	2907	1123	1146	4586	5526	5685	988	785	
Total Current Liabilities	**17234**	**22477**	**28348**	**19692**	**22026**	**25869**	**70595**	**71021**	**72714**	**5994**	**7450**	**2299**
Non- Current Liabilities												
Financial Liabilities (excl. trade payables)	49738	54498	60567	52603	57638	64056	78348	82965	89512	106216	113415	48925
Other Liabilities	-312	319	3110	-330	337	3290	4277	7548	13731	7383	12305	18859
Total Non-Current Liabilities	**49426**	**54817**	**63677**	**52273**	**57975**	**67346**	**82625**	**90512**	**103243**	**113599**	**125720**	**67784**
NET ASSETS	**25537**	**16646**	**7211**	**24800**	**17190**	**7013**	**-14713**	**-19870**	**-27276**	**25006**	**14512**	**-8185**

(iii) Unrecognised losses of joint ventures carried forward

Particulars	Accumulated as on 31.03.2018		For Year Ended 31.03.2018		Accumulated as on 31.03.2017		For Year Ended 31.03.2017		For Year Ended 31.03.2016	
	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.	2063	1762	-221	-1120	2284	2882	-193	-1732	-140	215
India LNG Transport Co. (No. 4) Ltd.	0	0	0	0	0	0	-41	-2079	41	263

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, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March 2018	31st December, 2016
Opening Net assets	16645	7211	17189	7012	-19870	-27276	14512	-8187
Profit for the year	7311	6914	5954	7506	848	743	5450	-517
Other Comprehensive Income	1580	2520	1655	2671	4308	6663	5045	6336
Share capital issued during the year								16881

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	ILT 1		ILT 2		ILT 3		ILT 4	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March 2018	31st December, 2016
Closing Net Assets	**25537**	**16645**	**24800**	**17189**	**-14713**	**-19870**	**25006**	**14512**
Groups share in %	29.08%	29.08%	29.08%	29.08%	26.00%	26.00%	26.00%	26.00%
Groups share in INR	7426	4841	7213	4999	-3825	-5166	6501	3773
Adjustment for translation differences on share capital							-110	-110
Carrying Amount*	**7426**	**4841**	**7213**	**4999**	**0**	**0**	**6391**	**3663**

* 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, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March 2018	31st December, 2016
Revenue	17056	17628	15659	18078	17218	17912	22278	1089
Other Income	85	43	455	25	16	21	69	0
Depreciation and Ammortisation	3747	3851	3807	3883	4622	4396	925	0
Interest Expense	3589	4354	3667	4418	9071	9957	9001	0
Income tax expense	5	5	5	5	5	5	0	0
Other Expense	2490	2547	2682	2291	2688	2833	6970	1605
Profit for the year	**7311**	**6914**	**5954**	**7506**	**848**	**743**	**5450**	**-517**
Other Comprehensive Income	1580	2520	1655	2671	4308	6663	5045	6336
Total Comprehensive Income	**8891**	**9434**	**7609**	**10177**	**5156**	**7406**	**10495**	**5819**

Note 45: 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 2018	97%	702390	83%	25375	33%	1103	78%	26478
31st March 2017	98%	675911	78%	14228	54%	838	76%	15066

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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)
Joint Ventures (Investment as per equity method)								
India LNG Transport Co. (No. 1) Ltd.								
31st March 2018	1%	7426	7%	2126	14%	459	8%	2586
31st March 2017	1%	4841	11%	2011	47%	733	14%	2743
India LNG Transport Co. (No. 2) Ltd.								
31st March 2018	1%	7213	6%	1732	14%	481	7%	2214
31st March 2017	1%	4999	12%	2184	50%	777	15%	2960
India LNG Transport Co. (No. 3) Ltd.								
31st March 2018	0%	0	0%	-	0%	-	0%	0
31st March 2017	0%	0	0%	-	0%	-	0%	0
India LNG Transport Co. (No. 4) Ltd.								
31st March 2018	1%	6391	5%	1,417	39%	1,312	8%	2729
31st March 2017	1%	3663	-1%	(176.15)	-51%	(792)	-5%	(968)
Subsidiary								
INLAND & COASTAL SHIPPING LTD								
31st March 2018	0%	(4)	0%	(0)	0%	-	0%	0
31st March 2017	0%	(3)	0%	(9)	0%	-	0%	(9)
TOTAL								
31st March 2018	**100%**	**723,416**	**100%**	**30,650**	**100%**	**3,355**	**100%**	**34,007**
31st March 2017	**100%**	**689,411**	**100%**	**18,237**	**100%**	**1,555**	**100%**	**19,792**

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 & Supply Vessel
AHTSV's are mainly built to handle anchors for oil rigs, tow them to location, anchor them up and, in a few cases, serve as an Emergency Rescue and Recovery Vessel (ERRV). They are also used to transport supplies to and from offshore drilling rigs.
All In
The total price to move cargo from origin to destination, inclusive of all charges.
Alongside
A phrase referring to the side of a ship. Goods delivered "alongside" are to be placed on the dock or barge within reach of the transport ship's tackle so that they can be loaded.
All Risk
All Risks Coverage, a type of marine insurance, is the broadest kind of standard coverage, but excludes damage caused by war, strikes, and riots.
Allotment
A term used to describe blocked space by airlines on behalf of forwarders/shippers.
Assignment
A term commonly used in connection with a bill of lading. It involves the transfer of rights, title and interest in order to assign goods by endorsing the bill of lading.
Astern
Behind a vessel– Move in a reverse direction.
ATDNSHINC
Any time Day or Night Sundays & Holidays Included. A chartering term referring to when a vessel will work.
Athwartships
A direction across the width of a vessel.
Automated Identification System (AIS)
It is a system used by ships and Vessel Traffic Service (VTS) principally for the identification and the locating of vessels. AIS provides a means for ships to electronically exchange ship data including: identification, position, course, and speed, with other nearby ships and VTS stations.
BAF (Bunker Adjustment Factor)
An adjustment in shipping charges to offset price fluctuations in the cost of bunker fuel.
Bill of Lading (B/L)
Bills of lading are contracts between the owner of the goods and the carrier. There are two types. A straight bill of lading is nonnegotiable. A negotiable or shipper's order bill of lading can be bought, sold, or traded while goods are in transit and is used for many types of financing transactions. The customer usually needs the original or a copy as proof of ownership to take possession of the goods.
Barrel (BBL)
A term of measure referring to 42 gallons of liquid at 600 degrees.
Baltic Dry Index
The Baltic Dry Index (BDI) is a number (in USD) issued daily by the London-based Baltic Exchange. Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time charter basis, the index covers Handysize, Supramax, Panamax and Capesize bulk carriers carrying a range of commodities including coal, iron ore and grain.
Beam
The width of a ship.
BIMCO
The Baltic and International Maritime Council, the world's largest private shipping organization.
Bonded Warehouse
The Customs Service authorizes bonded warehouses for storage or manufacture of goods on which payment of duties is deferred until the goods enter the Customs Territory. The goods are not subject to duties if re-shipped to foreign points.
Bow
The front of a vessel.
Break Bulk (B/B)
For consolidated air freight, it is moved under one MAWB and each consignment designated to specific consignee or recipient is under one HAWB. When freight forwarder receives the consolidated cargo from carrier, they will break the consolidation apart per HAWB then proceed customs clearance along with associated shipping and import documents. Such Break-Bulk is normally handled by airlines or their contracted ground handling agent.
Breakbulk Vessel
A general cargo vessel designed to efficiently handle un-containerised cargo. Vessels are usually self-sustaining in that they have their own loading and unloading machinery.
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.
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.

GLOSSARY

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 (C&F)
Cost and Freight (CFR) to a named overseas port of import. Under this term, the seller quotes a price for the goods that includes the cost of transportation to the named point of debarkation. The cost of insurance is left to the buyer's account. (Typically used for ocean shipments only. CPT, or carriage paid to, is a term used for shipment by modes other than water.) Also, a method of import valuation that includes insurance and freight charges with the merchandise values.

Cost, Insurance and Freight (CIF)
Cost, insurance, and freight (CIF) to a named overseas port of import. Under this term, the seller quotes a price for the goods (including insurance), all transportation, and miscellaneous charges to the point of debarkation for the vessel. (Typically used for ocean shipments only. CIP, or carriage and insurance paid to, is a term used for shipment by modes other than water.)

Dangerous Goods
Commodities classified by IATA according to its nature and characteristic in terms of the effect of its danger to carrier's flying safety.

***Deadweight Tonnage (DWT)**
The maximum weight of cargo and stores that a ship can carry.

Deadweight Tonnage (DWT)
The number of tons of 2,240 pounds that a vessel can transport of cargo, stores and bunker fuel. It is the difference between the number of tons of water a vessel displaces "light" and the number of tons it displaces when submerged to the "load line." An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.

Demurrage
A penalty charge against shippers or consignees for delaying the carrier's equipment or vessel beyond the allowed free time. The free time and demurrage charges are set forth in the charter party or freight tariff.

Despatch
An incentive payment paid by the vessel to the charterer for loading and unloading the cargo faster than agreed.Usually negotiated only in charter parties. Also called "dispatch."

Directorate General of Shipping (DGS)
The role of Indian Maritime Administration has been well brought out in the Indian Merchant Shipping 1958. The Merchant Shipping Act is the legislation in India for maritime development and effective enforcement of standards. The Directorate General of Shipping as the executive arm fully administers this legislation.

Dimensional Weight
Also called measurement weight. This is the size of consignment calculated by total square feet by 6000. Carrier charge for freight based on the dimensional weight or actual gross weight whichever is higher.

Direct Ship
Ship without consolidation and under one MAWB ie non-consolidation.

D.O.E : Direct Operating Expenses:
Direct Operating Expenses are voyage related expenses. Whenever a vessel undertakes a voyage, steaming from one port to another port, expenses incurred such as Bunker (fuel), Port Dues, Fresh water, stevedoring Charges, Agency fees and other voyage related expenses are called Direct Operating Expenses.

G.O.P. (Gross Operating Profit)
G.O.P. = Earnings/(Freight) – D.O.E
N.O.P. (Net Operating Profit) = G.O.P. – I.O.E.

EDI
EDI, Electronic Data Interchange for Administration, Commerce, and Transportation, is an international syntax used in the interchange of electronic data. Customs uses EDI to interchange data with the importing trade community.

ETA
Estimated Time of Arrival. Then, It normally takes 3 hours for carriers to Break Bulk then ready to be picked up by forwarders along with customs release notification.

ETD
Estimated Time of Departure. The cut-off time for carriers' cargo ramp handling is normally two hours ahead of ETD. However, the freight forwarders' consolidation cut-off time may vary depending on each forwarder's operations respectively.

FCL or CY
Full Container Load, also known as CY. CY is the abbreviation of Container Yard. When the term CY to CY, it means full container load all the way from origin to destination.

Federal Maritime Commission
The FMC is an independent agency which regulates oceanborne transportation in the foreign commerce and in the domestic offshore trade of the United States.

Flat Rack Containers
Especially for heavy loads and over-dimensional cargo. Containers do not have sides or a top. This allows easy fork-lift and crane access.

Fore and Aft
The direction on a vessel parallel to the center line.

Forty-Foot Equivalent Unit (FEU)
FEU is a measure of a ship's cargo-carrying capacity. One FEU measures forty feet by eight feet by eight feet -- the dimensions of a standard forty-foot container. An FEU equals two TEUs.

Free Alongside Ship
Free Alongside Ship, FAS, at a named port of export. Under FAS, the seller quotes a price for the goods that includes charges for delivery of the goods alongside a vessel at the port of departure. The seller handles the cost of unloading and wharfage; loading, ocean transportation, and insurance are left to the buyer. FAS is also a method of export and import valuation.

Free Carrier (FCA)
Free Carrier, FCA, to a named place. This term replaces the former "FOB named inland port" to designate the seller's responsibility for the cost of loading goods at the named shipping point. It may be used for multimodal transport, container stations, and any mode of transport, including air.

Free On Board (FOB)
Common price term used in international trade meaning seller's responsible for the cost of goods is to the point of loading it to the vessel deck or aircraft loading deck. The risk of loss of or damage to the goods is transferred from the seller to the buyer when the goods have been so delivered. FOB normally comes with port of loading either airport or sea port.

Freight Carriage ... and Insurance paid to
This term is the same as "Freight/Carriage Paid to ..." but with the addition that the seller has to procure transport insurance against the risk of loss of damage to the goods during the carriage. The seller contracts with the insurer and pays the insurance premium.

Freight Carriage ... paid to
Like C & F, "Freight/Carriage paid to ..." means that the seller pays the freight for the carriage of the goods to the named destination. However, the risk of loss of or damage to the goods, as well as of any cost increases, is transferred from the seller to the buyer when the goods have been delivered into the custody of the first carrier and not at the ship's rail. The term can be used for all modes of transport including 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.

P&I
Abbreviation for "Protection and Indemnity," an insurance term.

Panamax Vessel
The largest size vessel that can traverse the Panama Canal. Current maximum dimensions are: Length 294.1 meters (965 feet); width 32.3 meters (106 feet); draft 12.0 meters (39.5 feet) in tropical fresh water; height 57.91 meters (190 feet) above the water.

POD
Proof Of Delivery, or a cargo/package receipt with the signature of recipient. This term has been widely used in courier and express industry and also gaining more attention and implementation at air cargo industry..

Packing List
A shipping document issued by shipper to carrier, Customs and consignee serving the purposes of identifying detail information of package count, products count, measurement of each package, weight of each package, etc.

Port
– Harbor with piers or docks.
– Left side of a ship when facing forward.

Port state control
The inspection of foreign ships in national ports to verify that the condition of the ship and its equipment complies with the requirements of international conventions and that the ship is manned and operated in compliance with these rules.

Pro Forma Invoice
An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, and similar characteristics). When an importer applies for Letter of Credit as the means of payment, a Pro Forma Invoice from the beneficiary of such Letter of Credit, usually the exporter, is required by the L/C issuing bank.

Project Cargo
This is a term normal referred to when shipping cargo 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

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

has been assessed and found conforming to the following requirement

Standard: (Integrated Management System) ISO 9001:2015

ISO 14001:2015

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

Certificate No.: IRQS/1812493

Original Certification Date : 23/12/2015

Current Date of Granting : 27/04/2018

Expiry Date : 22/12/2019

Shashi Nath Mishra
Head IRQS

Indian Register Quality Systems

MGMT. SYS. RvA C071

This approval is subject to continued satisfactory maintenance of the Integrated Management Systems 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 COA/IRQS/RvA/IMS/Rev 00

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/1812493

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 - 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

Shashi Nath Mishra
Head IRQS

एस सी आई

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

FORM MGT-11

PROXY FORM

68th ANNUAL GENERAL MEETING ON 25.09.2018

[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 :	DP ID: / Client ID:	Folio No.

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 68th Annual General Meeting of the company, to be held on the 25.09.2018 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 31.03.2018		
2.	Re-appointment of Shri S.V. Kher, who retires by rotation		
3.	Fixation of remuneration of auditors for the Financial Year 2018-19		
Special Business			
4.	Appointment of Smt. Sangeeta Sharma as Whole Time Director		
5.	Appointment of Shri Rajesh Sood as Whole Time Director		
6.	Appointment of Shri Surinder Pal Singh Jaggi as Whole Time Director		
7.	Appointment of Dr. Gautam Sinha as Independent Director		
8.	Appointment of Shri Raj Kishore Tewari as Independent Director		
9.	Appointment of Dr. Palanisamy Kanagasabapathi as Independent Director		
10.	Appointment of Shri Vijay Tulshiramji Jadhao as Independent Director		

Signed this ______________ day of ______ 2018, Signature of shareholder ________________________________ ,

Affix Revenue Stamp

________________________ ________________________ ________________________

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
(2) A Proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.
(3) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 68th Annual General Meeting.
(4) 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 (on poll) at the meeting 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/ she so wishes. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy will stand automatically revoked.

CSR Activities

Skill Development Training for women through Apparel Made-ups Home Furnishing Sector Skill Council (Under Ministry of Skill Development & Entrepreneurship, Govt. of India)

The objective of the project is to provide skill development training to 150 women to make them capable and self-dependent through proper technical training in the field of Apparel production. An intense training of 560 hours on the job role 'Self Employed Tailor' is being conducted which will also include cloth cutting and pattern making, soft skills, basic measurement skills, basic financial management etc. The training is being provided as per the protocols of Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

The training centre is set up under the project.

Project "Badhte Kadam, Buland Awaazein"- Action to reduce girl dropout rates in schools by reducing violence against girls and promote menstrual hygiene management facilities

The objective of the project is to engage with adolescent girls and boys in the targeted project area on the issues of gender-based discrimination, gender violence and respect for women's rights through school and community level programmes, promote Menstrual Hygiene Management (MHM) facilities in schools by advocating with relevant stakeholders on MHM and at the same the project seeks to provide an enabling environment which respects a girl's rights to be free from eve teasing and molestation.

This project is resulting in empowering girls by sensitizing them regarding menstrual hygiene, cons of child marriage, gender based violence at schools which has also resulted in reducing the girl school dropouts.

New Employee Engagement Initiatives

SCI started an employee engagement programme 'SCI-LEAP' to Leverage Employees' Aspirations and Potential to become a World Class corporation. 'SCI LEAP' intends to provide an opportunity for the employees of the corporation mainly the junior and middle management cadres to interact with the functional Directors and CMD and share their views, ideas and opportunities for the company. The first session was held on 19th June, 2018.

Registered Office: **The Shipping Corporation of India Ltd.**
No. 245, Madame Cama Road, Mumbai - 400 021.
Telephone: +91 22 22026666 • Fax: +91-22-2202 6905