62nd Annual Report 2011-2012

TRANSPORTING **GOODS.**
TRANSFORMING **LIVES.**

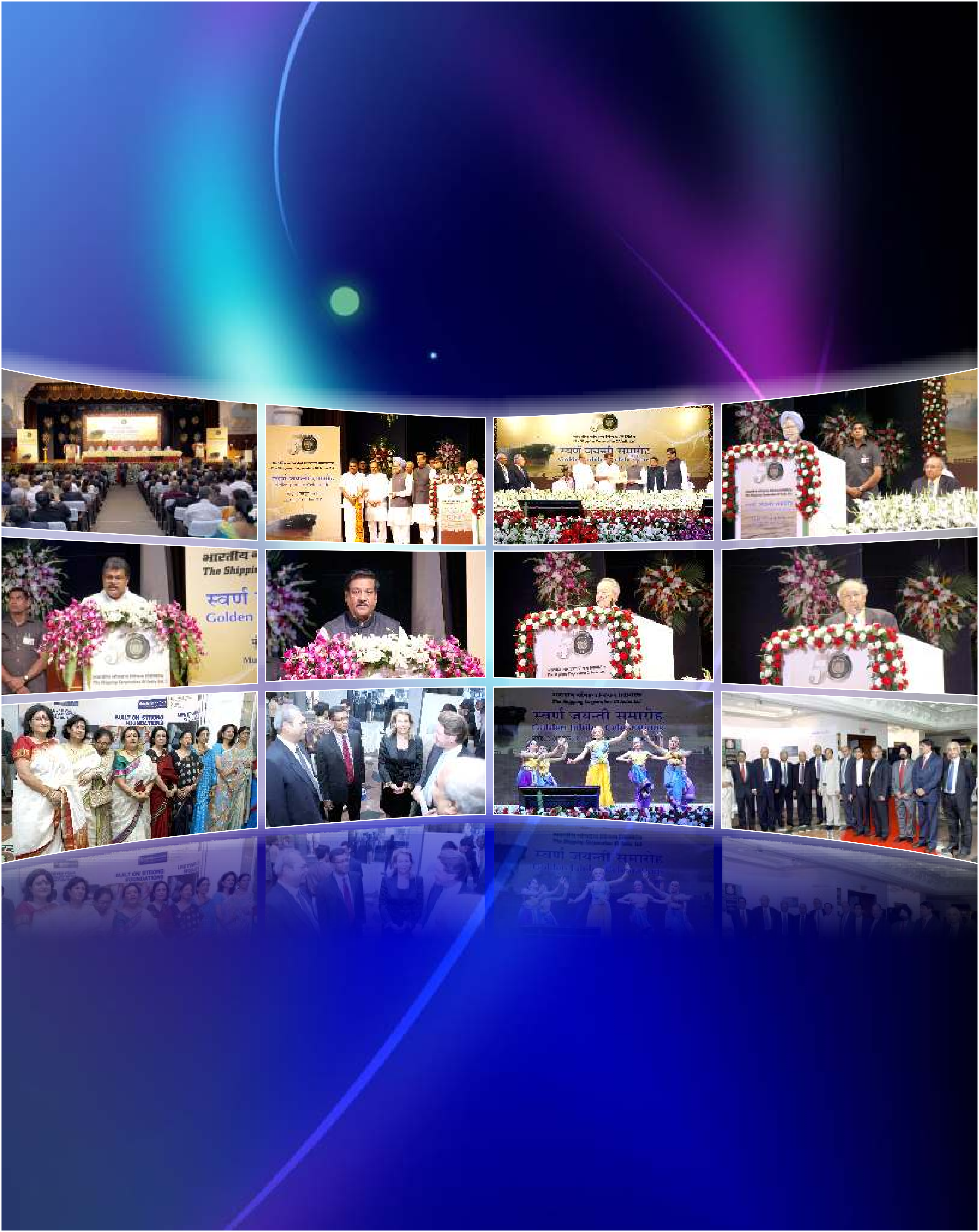
एस सी आई

SCI

Navratna Company
ISO 9001 - 2008 Company

भारतीय नौवहन निगम लिमिटेड

The Shipping Corporation Of India Ltd.


स्वर्ण जयन्ती समारोह
Golden

The Shipping Corporation Of India Ltd.
Serving Nation Successfully

For the past fifty years, Shipping Corporation of India has been providing yeoman service to the country's economy by meeting its ocean transport requirements and has emerged as the undisputed leader in India's shipping industry. The SCI continues to be the only Indian mainline carrier providing liner services from India to the major global destinations.

Starting as a Liner Shipping Company, SCI, with its safe, reliable, efficient and economic shipping services has emerged as one of the most admired, diversified and progressive shipping companies in the world.

SCI, over the years, has achieved excellent results due to the integration of innovative and timely strategies adopted by the Management, in turn, creating viable returns for all its stakeholders and customers.

With a highly diversified fleet and a network, covering several major sea routes, SCI reaffirms its commitment to remain highly responsive and efficient in terms of its services, thus making a mark for itself in the Indian maritime industry.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri S. Hajara
Chairman & Managing Director

Shri Vijay Chhibber
Government Director

Shri M. C. Jauhari
Government Director

Shri J.N. Das
Director

Rear Admiral (Retd.)
T.S. Ganeshan
Director

Shri Arun Kumar Gupta
Director

Shri Kailash Gupta
Director

Prof. Sushil Khanna
Director

Shri B.K. Mandal
Director

Shri Nasser Munjee
Director

Shri Arun Ramanathan
Director

Shri S. K. Roongta
Director

Shri U. Sundararajan
Director

Capt. Sunil Thapar
Director

Shri S.C. Tripathi
Director

Shri Arun Kumar Verma
Director

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

AUDITORS

Messrs. P.S.D. & Associates, Jaipur
Messrs. Sarda & Pareek, Mumbai

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

M/s. Sharepro Services (India) Pvt. Ltd.,
Samhita Warehousing Complex,
Gala No-52 to 56, Bldg No.13 A - B,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka,
Mumbai - 400072.

INVESTOR RELATION CENTRE

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

Name of Directors (other than S/Shri S. Hajara, Vijay Chhibber and M. C. Jauhari) appear in alphabetical order of Surnames

Dear Shareholders, Ladies and Gentlemen,

Shri S. Hajara
Chairman & Managing Director

On behalf of the Board of Directors and on my personal behalf, I extend very warm greetings to all of you. At the outset, I would like to inform all the esteemed shareholders that your company, after successfully completing 50 years of its dedicated service to the nation, has entered into 51st year of its operation on October 2nd, 2011. To commemorate this occasion, a valedictory function was held in Mumbai on October 1st, 2011, which was attended by the Hon'ble Prime Minister of India, Dr. Manmohan Singh.

I would also like to convey to the esteemed shareholders that this shareholder's meeting is of special significance to me personally, as after having the proud privilege of serving this beloved organisation for nearly four decades and being the Chairman and Managing Director of this organization for the past seven years, I would be superannuating in December 2012. Therefore, while addressing our esteemed shareholders for the last time, I recall with great affection the several memories of my tenure in this beloved organization. I would say that I have grown with this organization and have shared the worst and best phases of shipping during last nearly 40 years.

Over the years, your company has successfully retained its position as the largest and most diversified shipping company of the country and it has been a frontrunner and torchbearer in terms of growth, diversification and replenishment of its tonnage and I am happy to inform you that during my tenure as the Chairman and Managing Director for the past 7 years, your company, apart from pursuing its growth plan, also could register an average profit of about ₹ 600 crores per year. However, most regrettably your company could not register positive results last year due to the extreme depressed market conditions.

The Directors' Report describes, in detail, the working of your Company for the last financial year. I would like to share with you the important highlights of your Company's performance in the backdrop of the market conditions which prevailed in the shipping industry during the last financial year.

SHIPPING SCENARIO

As I mentioned earlier, during the last year, the worldwide shipping industry went through one of its toughest phases in the history owing to the excessive supply of tonnage on one hand and global economic crisis on the other. The Baltic Dry Index (BDI), which is an indicator of the shipping demand in the dry bulk sector, reached a historical low in February 2012 at 647 since its establishment in 1985. Subsequently, the index did improve, but the average BDI during the year 2011-12 remained almost 40% lower than the average BDI in the year 2010-11. The main cause for the severe rate decline in this sector was the oversupply of tonnage as the drybulk tonnage expanded from 525 million dwt in end of 2010 to 605 million dwt by end of 2011. The growth in drybulk seaborne trade during last year was also very weak, mainly due to the deteriorating economic conditions and also due to some of the major natural calamities in the world. In 2011, there was a marginal increase in the global coal trade, whereas, the iron ore trade was slightly lower than 2010. More importantly, despite reduction in iron ore prices, the Chinese imports of iron ore came down due to reduction in their constructional activities and rising levels of inventories. In India, due to the development of certain issues in the main ore-exporting states, exports to China came down, which in turn resulted in increase of Brazilian and Australian supplies to China, thus there was a negative impact on the Supramex demand as the India-China trade has been a significant source of Supramex employment. It is expected that the drybulk fleet would continue to grow by about 11% in 2012 and in 2013 this growth would reduce to 6%, which could help in the recovery of rates in the drybulk sector.

The past financial year was also a tough year for the tanker sector owing to oversupply of tonnage and weakening of global oil demand. The continued fleet growth at about 6% annualized pace and slowdown in the global demands pushed the tanker rates to new lows. Further, with the slowing down of demands from Japan and US, China had been a large driver of tanker rates in 2011. However, due to the subsequent downturn in imports by China, VLCC rates also came down. In the year 2012, the global tonne-mile demand associated with crude trade is expected to grow at the rate of about 2.2% whereas, the crude tanker fleet is projected to grow at the rate of about 4%, which would result into deliveries of additional 40 million dwt in the tanker market. It is expected that by the end of 2013 the influx of tonnage due to new deliveries would come down to about 30 million dwt and this reduction would give some respite to the tanker market. It is also hoped that due to the falling asset values and relatively high scrap prices, we could see early scrappings of some of the younger tanker vessels which would further help in early recovery of tanker sector.

In the Liner sector, the operating margins of the Liner companies crumbled last year as the capacity growth in this sector outstripped its trade expansion. Liner freight rates in the two main arterial lanes (Asia-Europe WB and Transpacific EB) have been experiencing a declining trend since the summer of 2010. Further, the bunker costs in 2011 reached twice the level of 2009. As a result, almost all the container giants in the world registered heavy losses in 2011. However, due to continued efforts of the container operators to rationalize supply, it is expected that the container fleet utilization would improve from about 78% in 2011 to about 81% in 2012. On the other hand, the container market would be required to bear the additional capacity, which would be generated by the deliveries of Ultra large vessels in the range of 8,000-10,000 TEUs, in the coming years.

FINANCIALS

Since the onset of the global economic downturn in late 2008, the freight levels in almost all sectors of shipping have been on downfall, affecting the bottom lines of many Indian as well as global shipping companies. Your company, which has been continuously making profits till the last fiscal, registered a loss of ₹ 428.21 crores in the last financial year after a gap of 28 years, owing to the severe economic slump in global markets. Although, there was an increase in the operating revenues, the same have more than been offset primarily by increase in bunker costs and revaluation of foreign currency loans which led to increase in the interest costs. Due to the depreciation of the Indian rupee vis a vis US dollar, the finance cost rose to ₹ 387.30 crores, which included the exchange loss of ₹ 296.73 crores on foreign currency loans. Also, due to the deliveries of new vessels in the last year, there was also an increase in the depreciation. In nut shell, I would like to bring out that there was no actual cash loss for the company and the exchange loss had to be considered as the finance cost as per the requirement of the relevant Accounting Standards. Further, I would like to assure you that your Company continues to have very sound financial fundamentals with a net worth of ₹ 6734 crores and strong cash balances.

OPERATIONS

In the B&T division, which has been the major profit centre of your company for years, a change in the employment pattern was observed over a period due to the sluggish markets. Employments of vessels on Time Charter basis came down substantially in comparison with the voyage charter employments, which lead to an increase in the direct operating expenses in terms of bunker consumption, port & marine dues. Several measures have been adopted to cut down the operating costs-particularly through slow steaming of vessels during ballast passages whenever possible. Your company's COA with SAIL continued during the last year. The remaining drybulk vessels were employed with a judicious mix of spot voyages and time charters employments.

In the tanker segment, your company continued with the COA arrangements with M/s. Bharat Petroleum Corporation Ltd. (BPCL) and M/s Hindustan Petroleum Corporation Ltd. (HPCL) for their requirements of crude transportations. In addition, your company also entered into short-term COAs with Chennai Petroleum Corp. Ltd. (CPCL) and Reliance Industries during the last financial year. I would also like to mention that in order to adopt adequate measures with

regard to the problem of piracy, your company has been in the process of appointing a service provider for employment of Armed Security Guards on the ships. However, recently, the GOI approved the proposal for deployment of CISF guards on the Indian ships and a proposal in this respect from CISF is awaited. On receipt of the proposal from CISF, your company would decide on the deployment of Armed Guards on its vessels.

In the Liner segment, your company continued to be the only Indian mainline carrier which provided services from India to some of the major global destinations including Far East / China, Europe, Middle-East / West Asia Gulf, East Africa. It has been observed that the global carriers, in order to sustain their services and bear the reduced freight levels, have adopted some measures like slow steaming, slot swapping and even withdrawal of tonnages from the main trade lanes and have employed their ships on secondary trade lanes. Your company has also been making its best efforts in rationalizing its liner service portfolio by restructuring and amalgamating its services and port calls so as to reduce the operating expenses and increase the revenues. Further, by employing higher capacity ships in some of the new rationalized services, the cost per slot could be reduced. I am happy to inform you that your company, after commencing the East Africa service from the Indian sub-continent in Sept 2011 on slot swap basis, has commenced a new Asia-East Africa service in April 2012 by deploying one of its vessel in the consortium with Evergreen Line so as to enter the high trade potential region of Kenya and Tanzania.

The offshore segment has been comparatively isolated from the whip of economic downtrend. Most of the OSV's of your company were on longterm charter with ONGC which fetched steady incomes. Some of the vessels, which could not be employed on long term contracts, were employed on the spot basis. Keeping in view the need to replace the older offshore vessels, your company had placed orders for replacement of vessels. During the last financial year, four such new vessels were delivered which offered the required flexibility to your company to explore employments with new E&P operators, other than its traditional client ONGC. I am glad to inform that, in order to diversify the fleet in offshore segment, your company has ordered 4 numbers of higher bollard pull AHTSVs and 2 numbers of PSVs. During the year under report, your company continued to provide technical consultancy services to A&N Administration, UTL Administration, UTL Tourism Dept., Directorate of Light Houses & Light ships, Geological Survey of India, National Institute of Oceanography and other Government Departments for their various ship acquisitions / retrofit projects.

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

Further, I would like to share with you that, for the existing fleet, your company is also developing a Ship Specific energy efficiency management plan to further improve and monitor energy efficiency in its operations.

SHIP ACQUISITION PROGRAMME

Your company had a proposal to induct 62 vessels of diversified fleet profile during the 11th Five Year Plan period and by the end of the year 2011-12 (i.e. final year of the 11th Plan), your company could place orders for 42 vessels and could acquire 3 resale vessels. In the last financial year, your company had placed order for 2 nos. resale bulk carriers which were under construction at M/s Guoyu Shipyard, China. These vessels were delivered in July and August, 2011 respectively. In the last financial year, 14 vessels, aggregating to 570,443 dwt, were disposed off whereas, 11 vessels, comprising of 7 newbuilding bulk carriers and 4 newbuilding offshore vessels, aggregating to 406,927 dwt, were delivered. Thus, the overall fleet, which was 79 ships at the beginning of the April 2011, closed at 76 ships aggregating to 5,566,587 dwt as on 31.03.2012. Further, your company as on 31.03.2012, had an orderbook of 27 different types of vessels with total tonnage of 1,667,850 dwt.

OTHER CORPORATE DEVELOPMENTS

As a responsible corporate citizen, in pursuance of CSR policy framed in 2009-10, your company continued to undertake corporate social responsibilities. The collaboration with Tata Institute of Social Sciences (TISS) for effective identification, monitoring, evaluation and reporting of CSR initiatives, also continued in the last year.

I am happy to report that your company's efforts in this field have been recognised at the International level and your company was awarded with the coveted "Seatrade Middle East & Indian Subcontinent Award" in the CSR category at Dubai in October, 2011. In October 2011, at the function organised by DPE, your company was also awarded the prestigious "Greentech Platinum Award", in the Shipping Sector for its continuous commitment to the community welfare and voluntary initiatives.

Other Awards received by your company during the last year are mentioned below:

- On 48th National Maritime Day i.e. April 05, 2011, your company was awarded as the 'Indian Shipping Company with Highest Growth of Indian Vessels'.
- On April 27, 2011, your company was honoured with the Dun & Bradstreet - "Rolta Corporate Awards 2010", in the Shipping sector.
- The National Maritime Celebrations (Central) Committee conferred "Outstanding Contribution to the Seafaring Community" Award to your company on the occasion of 'Day of the Seafarer', on June 25, 2011.
- At the Maritime and Logistics Awards 2011, held on September 30, 2011, your company was awarded as "Ship Owner of the Year - Indian".
- Your company received the "Shipping Line of the Year (Indian-Container)" Award & the "Golden Jubilee Award" in the Samudra Manthan awards 2011 which were organised by IMOL in December, 2011.
- At SMP Expo 2012, in Feb, 2012, the "Outstanding achievement for Fastest Growing Company" Award, was conferred to your company.

Corporate Governance

Your company constantly kept the Corporate Governance issues in focus. It has been your company's policy to provide adequate and timely information to all the stakeholders. Your company's endeavour in this respect has been acknowledged and appreciated year after year. This year too, your company would continue to strive to meet the expectations of its various stakeholders.

The Right to Information Act, 2005

With the coming into effect of the Right to Information Act on 12.10.2005, your company has complied with the provisions of the Act and has placed the "Information Request Form" along with a 'List', showing names of Public Information Officer and Assistant Public Information Officers, on its website. The Quarterly and Annual Returns of the Applications received / replied, as per the format given by the Central Information Commission (CIC), have also been posted on your company's website.

WAY FORWARD

When we take a look at the present global scenario in shipping, it is observed that overall, in the recent past, there has been a gradual increase in the trade in most of the segments and at the same time, there has also been a rise in the disposal of tonnage. This, coupled with drastic reduction in the number of new orders, has gathered a good hope and

has also propelled the process for the market to reach its equilibrium on the demand and supply of tonnage. Also, in the recent past, the bunker costs have stabilized at comparatively lower levels, which also would definitely offer a good relief to the Liner and tramp services. However, as I see, it would still take a long period for the market to look up and the sluggish phase would continue even in 2012-13. Further, apart from the tonnage position, the future developments in the global economic conditions would play a key role in determining the time period that would be required for the recovery of shipping markets.

In the dry bulk sector, the longterm outlook is promising, as with new power plants coming up in our country, we could hope to become a driving force in the import of coal. In the tanker segment, the global oil demand as well as Indian crude oil demand is projected to rise significantly in the coming years. In fact, India's crude oil demand is expected to rise by almost 60% in the next 10 years. Hence, in both these segments, there is enormous potential for the growth of our country's trade. Considering this, your company has always endeavoured to maintain a younger and updated fleet so as to cater to such rising requirements in future. Your company's long term strategy for B&T division would be to have long term charter agreements and COA's with mainly Indian charterers and also with other global charterers.

In the Container sector, it is projected that in 2013, the rate of expansion in fleet will be lower than the rate of growth in trade and therefore the market conditions are expected to improve in 2013. Your company in the coming years would continue its best efforts to optimise the operations of its various liner services.

In the offshore segment, which is a rapidly growing segment, to meet with the Indian Oil Industry's requirement of various types of advanced vessels, your company has already embarked upon a plan to expand its offshore fleet by acquiring more number of OSVs. Also, orders for new types of vessels i.e, AHTSV's and PSV's have been placed with Indian shipyards and these vessels would be delivered into your company's fleet in the two years.

Being the only Indian company, having experience in LNG transportation and considering huge growth potential of LNG imports in future, your company is also well placed to take advantage of the growth potential in this segment.

As far as fleet position is concerned, it is expected that the tonnage of your company would cross the mark of 6 million dwt in the current financial year. Further, due to the replenishment of older tonnage, the average age of your company's fleet has come down from 19 years in 2004 to a young 12 years in 2012, which compares very well against the average age of the total Indian fleet of about 18 years. Also, the younger tonnage brings greater prospects for employments and requires lesser costs on repairs and maintenance. Therefore, I foresee a huge potential and sunrise in terms of the younger and growing fleet of your company, which is EU compliant, and it will definitely be able to capitalise on the rising markets, both India centric as well as global in the future.

In conclusion, I would like to convey to all the shareholders that, your company has successfully weathered many such adverse phases in the past and recession has always been an integral part of a cyclical industry like shipping. Hence, I would like to assure you that, your company with its diversified young fleet, sound financial fundamentals and most importantly, with dedicated and experienced manpower including the marine professionals, is quite capable of sailing through this rough patch and it is also well poised to reap benefits when there will be next upturn in the market.

ACKNOWLEDGEMENT

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 G. K. Vasan for leading the growth of India's maritime sector and for providing his kind support to your company. I would also like to thank the Hon'ble Ex-Minister of State for Shipping, Shri Mukul Roy for his encouragement to your Company. I wish to also express my indebtedness towards Shri K. Mohandas, former Secretary (Shipping) and Shri. P. K. Sinha, existing Secretary (Shipping) for their guidance provided to your Company. My sincere thanks are also due to other officials of the Administrative Ministry, other Ministries and Departments of the Government of India. I would also like to express my sincere appreciation towards Directorate General of Shipping for its support and kind understanding of various problems being faced by the Indian shipping industry and specifically by your Company. Finally, this being the last year of my tenure as the C&MD of your company, I wish to express my deep sense of gratitude towards all the shareholders, stakeholders, my colleagues on the Board of Directors and all the floating and shore employees for their continued support over the years.

Shri S. Hajara

Chairman & Managing Director

01 **Shri S. Hajara,** *Chairman & Managing Director*

Shri S. Hajara is Chairman & Managing Director since September 2005 before which he held the post of Director (Personnel & Administration). He holds a Bachelor's degree in Science - Chemistry and a Post Graduate Diploma in Management from IIM, Kolkata. He also holds a degree in Law, diploma in Professional Ship Management, Norwegian Shipping Academy, Oslo. He is also experienced in marketing, chartering, import operations, liner conference / bilateral matters, commercial operations in liner, bulk and tanker.

02 **Shri Vijay Chhibber,** *Government Director*

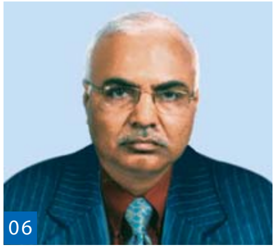
Shri Vijay Chhibber, Special Secretary and Financial Advisor, Ministry of Shipping, and ex-officio part-time Director of the Company was appointed on Board of Directors in December 2008. Shri Chhibber, an I.A.S. Officer of the Manipur Tripura cadre, holds a Graduate and Post Graduate Degree in History from St. Stephen's College, University of Delhi. He held several posts in both the State and Central Governments and was the Under Secretary and Deputy Secretary in the Department of Commerce, Deputy Director in AIIMS, Director in Cabinet Secretariat, Joint Secretary in Department of Fertilizers and Additional Secretary and Financial Adviser for the Ministry of Road Transport & Highways as well as Ministry of Shipping. He has also worked as Deputy and Joint Secretary in the Departments of Energy, Public Works and Industries, as Director of the Department of Industries and Secretary to the Chief Minister Manipur. He was also a District Magistrate of Ukhrul District in Manipur. He has held the post of Principal Secretary/Commissioner, Government of Manipur with responsibilities relating to Finance, Health, Education, Public Health & Engineering, Social Welfare, Tribal Welfare, Elections, etc. He has also been the Chief Election Officer of the State of Manipur. He is also an alumni of the National Defence College.

03 **Shri M. C. Jauhari**, *Government Director*

Shri M.C. Jauhari, Joint Secretary (Shipping), Ministry of Shipping, an ex-officio part-time Director of the Company, was appointed on the Board of Directors in January 2012. Shri Jauhari, an IAS Officer, is a post graduate in Physics from Allahabad University. He has worked in the State Government of Assam in various capacities and also as Joint DG/Director in DGFT in Commerce & Industry Ministry, Govt. of India, New Delhi. He has also worked as Advisor in Indian Mission to European Union. He has vast knowledge in different areas like land revenue administration, Labour & Employment, Town and Country Planning, Science & Technology, Foreign Trade, Agriculture & Cooperation, Personnel & General Administration, Planning & Programme Implementation, etc. He is also a Government Director on the Boards of Cochin Shipyard Ltd. and Chennai Port Trust.

04 **Shri J. N. Das,** *Director*

Shri J. N. Das is Director (Liner & Passenger Services) since December 2007. He is a Marine Engineer from Marine Engineering Training College (DMET), Kolkata and possesses First Class Engineer (MOTOR) Certificate of Competency from MOT. He is a member of the Institute of Engineers (MIE India) and a fellow of Institute of Marine Engineers (FIME) India. He has vast experience in shipping management, bulk carriers, tankers, chemicals, LPG & LNG operations, new building and offshore services.



05 Rear Admiral (Retd.) T. S. Ganeshan, *Director*

Rear Admiral (Retd.) T.S. Ganeshan is a part-time non-official Director inducted on the Board in August 2010 and is the Chairman of the Remuneration Committee. He is an electrical engineer. He has served in the Indian Navy for over three decades. He has held various posts including that of Director (Ship Production), Director (Naval Design) at Naval Headquarters and Project Director (Electronics, Weapons & IT) for the nuclear submarine project (ATV). He has vast experience in naval shipbuilding and management of Public Sector Undertaking. He is the recipient of Nao Sena & Vishisht Seva medals and is an alumni of the National Defence College. He has been the Chairman & Managing Director of GRSE (Garden Reach Shipbuilders and Engineers Ltd.), Kolkata, a Defence PSU, from May 2005 to April 2008.

06 Shri Kailash Gupta, *Director*

Shri Kailash Gupta is Director (Personnel & Administration) since July 2006. He is a post graduate in Personnel Management from XLRI, Jamshedpur, and also has degree in law from the University of Delhi. Shri Gupta has also worked with NALCO Ltd. as General Manager (HRD & Administration) for over six years prior to joining SCI.

07 Prof. Sushil Khanna, *Director*

Prof. Sushil Khanna is a part-time non-official Director inducted on the Board in August 2010 and is a member of the Remuneration Committee. He is B.Sc. (major in Physics) and is a fellow of Indian Institute of Management, Kolkata and has a post graduate diploma in management from IIM, Kolkata. He is a professor of Strategic Management and Economics at the Indian Institute of Management Kolkata. He has three decades of experience; first, as an investment banker, and then as an academic in the areas of corporate strategy, organisational restructuring, finance and general management. He has also served as a consultant and advisor for large number of public and private sector companies in India and Bangladesh.

08 Shri B. K. Mandal, *Director*

Shri B. K. Mandal is Director (Finance) since November 2005 and is a post graduate in Management from the Indian Institute of Management, Ahmedabad, and also a Fellow member of the Institute of Cost & Works Accountants of India. Shri Mandal was working in NTPC Ltd., Delhi, as General Manager (Finance) and has also worked with BHEL in the initial years of his career. Besides he is also a member in Investors' Grievance Committee.

09 Shri Nasser Munjee, *Director*

Shri Nasser Munjee is a part-time, non-official Director, inducted on the Board since August 2007 and reappointed in August 2010, based on the fresh nomination received from the Ministry of Shipping. He is the Chairman of the Sub-Committee of the Board for raising finance and is also a member of the Remuneration Committee. He holds a Master's degree from the London School of Economics, U.K. He joined the Board of HDFC in 1993 and had been assisting the HDFC since its inception in 1978 with primary responsibility for resource mobilization, research, publications, training, communication and managing the Centre for Housing Finance. He was the MD & CEO of IDFC from 1997 to 2004. Since 2004, Shri Munjee has been pursuing his own interests in his own way. He sits on 15 Corporate Boards in India which include Tata Motors, Tata Chemicals, Britannia Industries, Cummins India, ABB India, Ambuja Cements (now part of the HOLCIM group). He is also Chairman of Development Credit Bank, Reid & Taylor (India) Ltd., Tata Motors Finance and of two other Aga Khan institutions in India. He was the President of the Bombay Chamber of Commerce and Industry - the city's oldest Chamber of Commerce and he has served on numerous Government Task Forces on Housing, Infrastructure and Urban Development.

10 Shri Arun Ramanathan, *Director*

Shri Arun Ramanathan is a part-time non-official Director inducted on the Board in August 2010. He is the Chairman of the Audit Committee and Investors' Grievance Committee. He joined the IAS in July 1973. Apart from holding post graduate degrees in Nuclear Physics, Business Administration and Development Economics. He is also an Associate Member of the Institute of Cost and Works Accountants of India. In the IAS, he has held several assignments in Industry, Finance, Food, Consumer Protection, Transport and General Administration. In the Government of India, he was Secretary (Chemicals & Petrochemicals), Secretary (Financial Services) and finally the Union Finance Secretary. Shri Ramanathan was the Finance Secretary at the time of the global financial crisis and was nominated by the Prime Minister to chair the Group of Secretaries to recommend measures needed to counter the meltdown in the financial and industrial sectors.

11 Shri U. Sundararajan, *Director*

Shri U. Sundararajan is a part-time non-official Director inducted on the Board in July 2007 and reappointed in August 2010 based on the fresh nomination received from the Ministry of Shipping. He is also the member of the Audit Committee of the Board. He was the former Chairman and Managing Director of BPCL. He is a Cost Accountant and has vast experience and knowledge in financial management and general management. He has also served as part time External Director on the Board of several companies which include Gujarat State Petronet Ltd. and Larsen & Toubro Ltd.

12 Shri S. C. Tripathi, *Director*

Shri S. C. Tripathi is a part-time non-official Director inducted on the Board in December 2007 and reappointed in August 2010 based on the fresh nomination received from the Ministry of Shipping. He is an IAS and was the former Secretary to Government of India and had rich experience in finance, economics and in petroleum sector. Shri Tripathi, an M.Sc. (Physics-Specialisation in Electronics), LL.B., PG Diploma in Development Studies (Cantab.), AIMA Diploma in Management, started his career as Lecturer in Physics in 1964 and joined the Indian Administrative Service in 1968 (Second Rank in the country). He spent nearly 20 years in Finance and Industry sectors at Chief Executive / Secretary levels at the State and Central Government and in representative capacity at international levels. Shri Tripathi retired as Secretary, Ministry of Petroleum and Natural Gas in the Government of India in December 2005.

13 Shri Arun Kumar Verma, *Director*

Shri Arun Kumar Verma is a part-time non-official Director inducted on the Board in August 2010 and he is a member of the Audit Committee and Investors' Grievance Committee. He is a practicing Chartered Accountant from Bhubaneshwar. He is also a Law Graduate. He has vast experience in areas concerning Accounts, Audit, Finance and Law.

14 Shri Arun Kumar Gupta, *Director*

Arun Kumar Gupta is the Director of Technical & Offshore Services Division since October 25, 2010. He holds a bachelors degree in Marine Engineering from Marine Engineering Training College, Kolkata and possesses First Class Engineer (MOTOR) Certificate of Competency from Ministry of Transport. He is a member of the Institute of Engineers, a Fellow Member of Institute of Marine Engineers & Narottam Morarjee Institute of Shipping. He has also served Irano-Hind Shipping Co., Tehran as Director Administration for a period of over three years. He has been a Trustee of Kandla Port and also the Vice President of Institute of Marine Engineers (India). He has been on the Governing Council of both, Institute of Marine Engineers as well as Narottam Morarjee Institute of Shipping. In this context he has chaired sessions and also presented papers in several technical meets. He has almost 34 years experience in all aspects of shipping management.

15 Shri Sushil Kumar Roongta, *Director*

Sushil Kumar Roongta is a non-official part-time (Independent) Director inducted on the Board in October, 2010. He is a member of the Strategy Committee of our Company. He holds a Bachelor of Engineering (Honours) degree in Electrical Engineering from the Birla Institute of Technology & Sciences and has a Post Graduate Diploma in Business Management-International Trade from the Indian Institute of Foreign Trade. He is also a fellow member of the All India Management Association. He has expertise in marketing, strategy and turnaround management. He was the executive Chairman of the Steel Authority of India Limited ("SAIL") from August 2006 to May 2010. He was also the first chairman of the International Coal Ventures Limited, a joint venture of five leading Public Sector units. He is presently the Chairman of the Panel of Experts on PSU reforms, constituted by the Planning Commission, Government of India. Presently, he is on the Board of Axis Bank Limited since July 2010 and Neyveli Lignite Corporation Limited since September 2010. He has also been appointed as Managing Director of Vedanta Aluminium from June 2011.

16 Capt. Sunil Thapar, *Director*

Capt. Sunil Thapar is the Director of Bulk Carriers and Tanker Division since January, 2011. He holds a Masters' degree in Shipping Management from the World Maritime University. He also holds Master (FG) Certificate of Competency. He has sailed on many ships including Bulk Carriers, Passenger vessels and Break-bulk ships in various capacities. He has served in various capacities in the Offshore, Liner & Passenger and Bulk Carrier & Tanker Divisions. In April 2005, he was posted to Shanghai as the Company's Chief Representative in China to look after the container services and other interests in the region including China and other Far East regions. Since December 2007, he has been in charge of the Bulk Carrier & Tanker Division of the Company.

NOTICE is hereby given that the 62nd Annual General Meeting of The Shipping Corporation of India Ltd. will be held at Y.B Chavan Auditorium, Jagannath Bhosale Marg, Near Mantralaya, Mumbai - 400 021 at 1530 hrs. on Monday, the 24th day of September 2012 to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012, Profit & Loss Account for the year ended on that date and Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri U Sundararajan who retires at this meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Prof. Sushil Khanna who retires at this meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Arun Kumar Verma who retires at this meeting and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Arun Ramanathan who retires at this meeting and being eligible, offers himself for re-appointment.
6. To fix remuneration of auditors.

By Order of the Board of Directors
for **The Shipping Corporation of India Ltd.**

Dipankar Haldar
ED (Legal Affairs) & Company Secretary

Registered Office:

Shipping House,
245, Madame Cama Road,
Mumbai - 400 021.
Dated : 10th August, 2012

Notes:

a) 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.

b) The Register of Members and the Share Transfer Books of the Company will remain closed from 17.09.2012 to 24.09.2012 (both days inclusive).

c) Members holding shares in physical form, are requested to notify any change in their address and bank details, to the Share Transfer Agents of the Company at the following address:

M/s. Sharepro Services (India) Pvt. Ltd.
Samhita Warehousing Complex
Gala No. 52 to 56, Bldg. No.13 A-B
Near Sakinaka Telephone Exchange
Andheri - Kurla Road, Sakinaka
Mumbai - 400072.

d) Members holding shares in dematerialised form, are requested to notify any change in their address, bank details and e-mail ID, to the concerned Depository Participants.

e) Pursuant to the provisions of Section 205A of the Companies Act, 1956, 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 2004-2005 and onward. The investor may also visit www.shipindia.com. The dividend paid for the years 2002-03 (Interim), 2003-04 (Special Interim) and 2004-05 (Interim) and remaining unclaimed / unpaid has already been transferred to the IEPF.

f) 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.

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

Name of the Director	**Shri U. Sundararajan**	**Prof. Sushil Khanna**
Date of Birth	14.06.1942	05.07.1951
Date of Appointment	11.08.2010	11.08.2010
Qualifications	Cost Accountant	• 'Fellow' Indian Institute of Management Calcutta, 1984 (Ph.D) • Post Graduate Diploma in Management, Indian Institute of Management Calcutta, 1973 • BSc. Major Physics from Allahabad University
Expertise in specific functional areas	Vast experience in Financial, Accounting and General Management area	Vast experience as investment banker and as an academic in area of corporate strategy, organisational restructuring, finance and general management.

Name of the Director	**Shri Arun Kumar Verma**	**Shri Arun Ramanathan**
Date of Birth	28.06.1951	25.04.1949
Date of Appointment	11.08.2010	11.08.2010
Qualifications	• B.Com. (Hons) • LL.B. • DISA (ICA) • Fellow Member of Institute of Chartered Accountants of India	• MSc. Nuclear Physics (Andhra University) • MBA (Financial Management) - Madras University • MPhil. in Development Economics (Cambridge University) • AICWA
Expertise in specific functional areas	Vast experience in areas concerning Accounts, Audit, Finance and Law	Vast experience in general and financial administration in Government and Public Sector.

EQUITY SHARES HELD BY THE NON-EXECUTIVE DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Sr. No.	Name of non-executive Director	No. of Shares held
1.	Shri U. Sundararajan	Nil
2.	Prof. Sushil Khanna	50
3.	Shri Arun Kumar Verma	Nil
4.	Shri Arun Ramanathan	Nil

CHAIRMANSHIP / DIRECTORSHIP HELD IN OTHER PUBLIC COMPANIES AND MEMBERSHIP HELD IN COMMITTEES OF SUCH BOARDS IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

Name of the Director	**Chairmanship / Directorship held in other public companies**	**Chairmanship / Membership held in Committees of such Boards**
Shri U. Sundararajan	Bharat Oman Refineries Ltd.	Member - Audit Committee
Prof. Sushil Khanna	1. Oil India Ltd 2. Nicco Ventures Ltd 3. NTPC	NIL
Shri Arun Kumar Verma	NIL	NIL
Shri Arun Ramanathan	1. ONGC Videsh Ltd. 2. Indian Clearing Corporation Ltd. 3. JTC Electronics Ltd. 4. National Textiles Corporation Ltd. 5. ONGC	Chairman - Audit Committee Member - Audit Committee Member - Audit Committee Member - Audit Committee Member - Audit Committee Member - Investors' Grievance Committee

SALIENT STATISTICS 2011 / 2012

Authorised Capital	₹ 1000.00	Crores
Subscribed and Paid-up Capital	₹ 465.80	Crores
Depreciation Provision	₹ 608.72	Crores
Gross Earnings	₹ 4500.18	Crores
Gross Investment on Fleet	₹ 14969.27	Crores
No. of Voyages made	529	
No. of Passengers carried (including managed vessels)	19,97,376	
No. of Employees (including crew) (As on 1st August, 2012)	2985	
Vessels Owned (As on 14th August, 2012)		
Number	77	
Tonnage	3.12 5.49	Million GT Million DWT
Vessels on Order		
Number	22	
Tonnage	0.90 1.52	Million GT Million DWT

DECADE AT A GLANCE

OPERATIONAL STATISTICS

(Figures in Crores of ₹)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11*	2011-12
Operating Earnings	2376.5	3100.3	3396.1	3531.0	3703.4	3726.9	4166.6	3463.1	3543.4	3820.8
Interest Income	35.3	60.7	80.2	172.1	219.7	227.7	272.7	218.2	191.4	183.4
Other Income	66.9	74.5	249.7	59.0	287.2	129.8	125.2	215.0	285.0	495.9
Total Earnings	2478.7	3235.5	3726.0	3762.1	4210.3	4084.4	4564.5	3896.3	4019.8	4500.1
Operating Expenses	1826.1	2019.8	2033.7	2119.3	2567.7	2594.4	2815.7	2771.0	2254.5	3328.4
Other Expenses	156.9	166.5	183.7	145.3	149.4	221.3	266.5	216.7	576.7	515.7
Interest Expenses	49.1	55.7	64.3	79.1	80.1	61.6	64.7	52.5	66.9	387.3
Depreciation	257.8	280.0	297.1	303.5	303.1	303.2	323.9	380.1	465.1	608.7
Exceptional items	0.0	0.0	0.0	0.0	0.0	0.0	39.1	0.0	0.0	0.0
Tax Liability	(86.0)	86.5	22.8	72.8	95.5	90.0	113.9	99.1	89.3	88.2
Deffered Tax Provision written back	0.0	0.0	(295.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	2203.9	2608.5	2306.1	2720.0	3195.8	3270.5	3623.8	3519.4	3452.5	4928.3
Profit after Tax	274.8	627.0	1420.0	1042.2	1014.5	813.9	940.7	376.9	567.3	-428.2

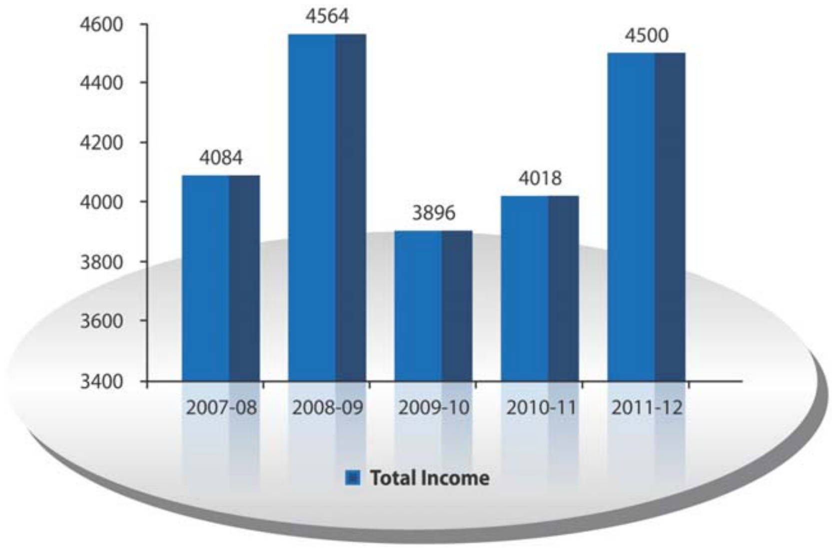
FINANCIAL HIGHLIGHTS:

(Figures in Crores of ₹)

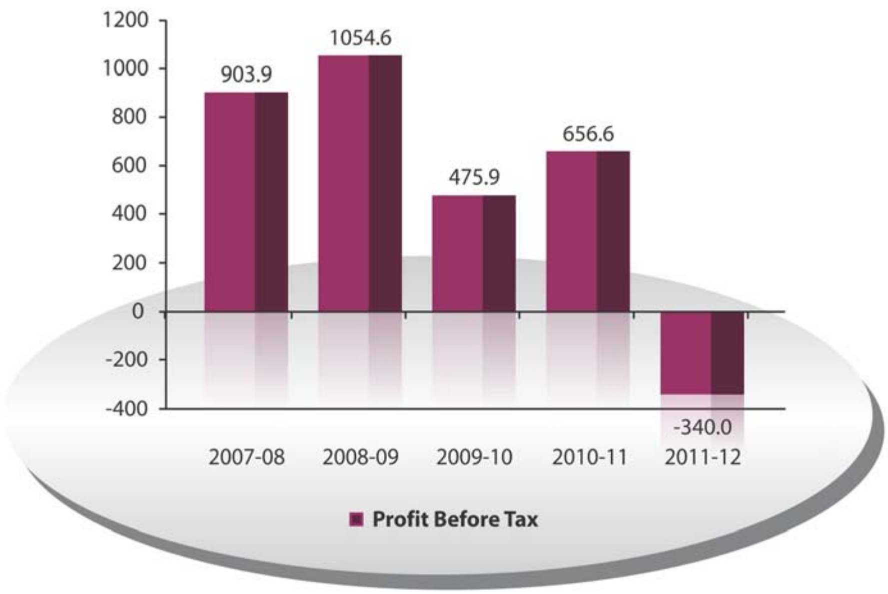
	31-03-03	31-03-04	31-03-05	31-03-06	31-03-07	31-03-08	31-03-09	31-03-10	31-03-11*	31-03-12
WHAT THE COMPANY OWNED										
Fixed Assets										
Gross Block	5243.2	6073.8	6506.1	6818.9	6705.4	6737.1	8161.9	8893.2	11841.3	13334.4
Less: Depreciation (Cum)	2871.4	3092.0	3270.3	3559.4	3744.2	4047.2	4333.9	4386.4	4472.1	4421.6
Net Block	2371.8	2981.8	3235.8	3259.5	2961.2	2689.9	3828.0	4506.8	7369.2	8912.8
Assets under Construction	681.3	385.7	122.5	237.3	762.5	2007.2	2099.9	1854.7	1790.4	1833.3
Asset Retired from Operation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital	561.3	667.6	1618.6	2224.1	2596.7	2347.7	2640.9	2505.7	2431.0	2036.6
Investments	0.5	0.5	1.5	8.9	24.0	41.5	111.5	166.7	292.7	274.6
	3614.9	4035.6	4978.4	5729.8	6344.4	7086.3	8680.2	9033.9	11883.3	13057.3
WHAT THE COMPANY OWED										
Long Term Funds:										
SDFC/Govt. Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank Loans	1112.1	1371.3	1402.7	1374.4	1244.7	1454.2	2471.7	2696.9	4715.2	6323.0
Unsecured Loans	6.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1119.0	1371.3	1402.7	1374.4	1244.7	1454.2	2471.7	2696.9	4715.2	6323.0
Deferred Tax Liability	233.0	295.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET WORTH OF THE COMPANY										
Share Capital	282.3	282.3	282.3	282.3	282.3	282.3	423.5	423.5	465.8	465.8
Reserves & Surplus	2029.6	2114.7	3309.8	4077.8	4817.4	5349.8	5785.0	5913.5	6702.3	6268.5
Deferred Revenue Expenditure	(49.0)	(28.2)	(16.4)	(4.7)	0.0	0.0	0.0	0.0	0.0	0.0
	2262.9	2368.8	3575.7	4355.4	5099.7	5632.1	6208.5	6337.0	7168.1	6734.3
Dividend paid	84.7	479.9	197.6	239.9	239.9	239.9	275.2	211.7	256.2	0.0
Dividend %	30.0	170.0	70.0	85.0	85.0	85.0	65.0	50.0	55.0	0.0

* Figures have been regrouped as per revised Schedule VI

Total Income (Amount in ₹ Crores)

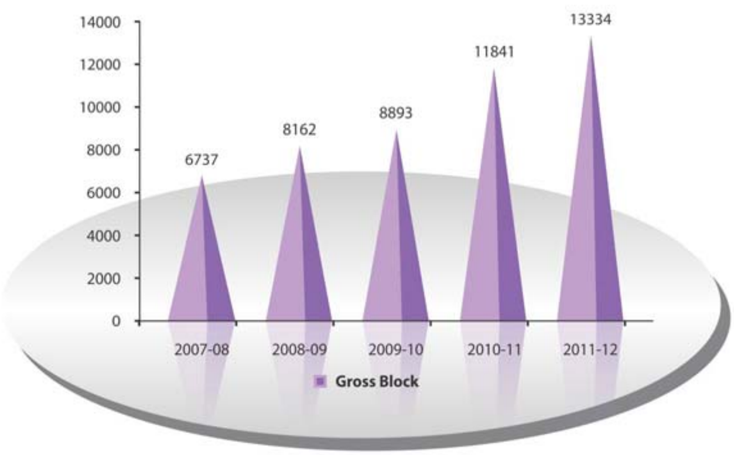


Profit Before Tax (Amount in ₹ Crores)

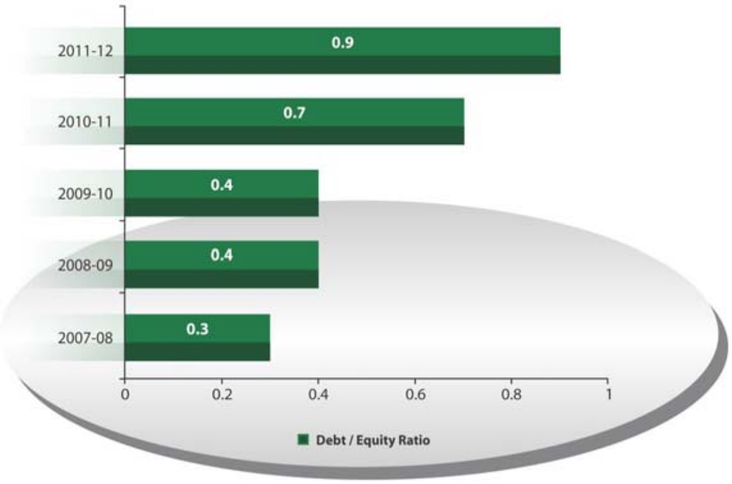


GRAPHS

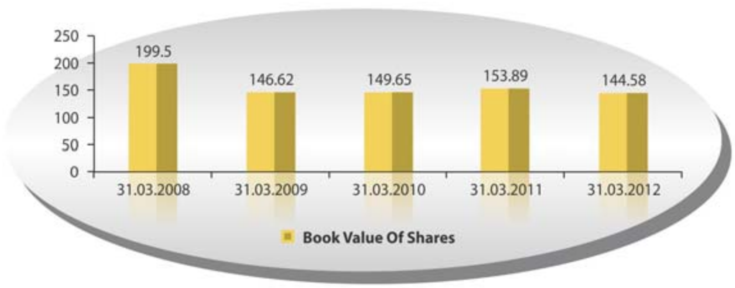
Gross Block (Amount in ₹ Crores)



Debt / Equity Ratio



Book Value of Shares (Value in ₹)



During the financial year 2008-09, the Corporation had issued 141151215 fully paid up equity shares of ₹ 10/- each as bonus shares

To the Members,

Your Directors have pleasure in presenting the 62nd **Annual Report** on the working of your Company for the financial year ended 31st March 2012.

Accounting Year

The year under report covers a period of 12 months ended on 31st March 2012.

Financial Performance

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

(₹ Crores)

		2011-12		2010-11
Gross Earnings		4500		4018
Gross Profit (before interest, depreciation, items relating to earlier years, exceptional items & tax)		623		1159
Less : Interest	387		67	
Depreciation	609	996	465	532
Profit before items relating to earlier years, exceptional items & tax		(373)		627
Prior year's adjustments		33		30
Excess Provision / sundry credit balances written back		0		0
Profit before Exceptional items & tax		(340)		657
Exceptional items		-		
Provision for Indian Taxation		(88)		(89)
Net Profit		(428)		568

Appropriations

The working results of your Company for the year 2011-2012 after considering prior period adjustments show a loss of ₹ 428.21 crores. After adjusting a sum of ₹ 590.42 crores (being balance profit and loss account brought forward from the previous year), the amount available for disposal works out to ₹162.21 crores. Your Directors propose to make an appropriation of ₹ 0.5 crore towards Staff Welfare Fund from this amount. After the proposed appropriation, the sum available is ₹ 161.71 crores which is being carried forward to next year's accounts.

Brief Analysis of Financial Performance :

The financial performance of your Company was impacted by the adverse freight markets during the year. There has been an increase in the gross earnings due to induction of ten new vessels during the year even though freight rates were depressed. However, the same have been offset primarily by an increase in fuel prices. Further your Company has also reported finance cost at ₹ 387.30 crores during the year which includes ₹ 296.73 crores on account of exchange loss arising out of revaluation of the foreign currency loans as a result of the depreciation of the Indian rupee to the US Dollar. This exchange loss has been considered as finance cost as per the requirement of the relevant accounting standard. The actual interest outgo in the current year was only ₹ 90.57 crores as against ₹ 63.94 crores in the earlier year.

Fleet Position during the Year :

During the year under report, fourteen vessels aggregating 570,443 dwt. tonnage were disposed of whereas eleven vessels comprising of seven newbuilding bulk carriers and four newbuilding offshore vessels total aggregating to 406,927 dwt. were delivered. Thus, the overall fleet position, which was 79 ships at the beginning of the year, closed at 76 ships at the end of the year as shown in the following table:

FLEET PROFILE DURING THE YEAR

	Particulars	As on 1.4.2011		Additions		Deletions		As on 31.3.2012	
		No.	DWT	No.	DWT	No.	DWT	No.	DWT
1.	(a) Crude Oil Tanker	24	3,632,297	-	-	-	-	24	3,632,297
	(b) Product Tankers	16	982,483	-	-	1	29,755	15	952,728
	(c) Chemical Tankers	3	99,174	-	-	2	66,116	1	33,058
	(d) Gas Carriers	2	35,202	-	-	-	-	2	35,202
2.	Bulk Carriers	17	755,327	7	398,983	10	472,755	14	681,554
3.	Liner Ships	5	202,413	-	-	-	-	5	202,413
4.	Offshore Supply Vessels	10	17,904	4	7,944	1	1,817	13	24,031
5.	Passenger-Cum-Cargo Vessels	2	5,303	-	-	-	-	2	5,303
	Total	**79**	**5,730,103**	**11**	**406,927**	**14**	**570,443**	**76**	**5,566,586**

NEWBUILDING VESSELS DELIVERED DURING THE YEAR

Vessel Name	Type	Yard Built	DWT
m.v. Vishva Vijeta	Dry Bulk carrier	Guoyu Shipyard, China	56,638
m.v. Vishva Malhar	Dry Bulk carrier	Guoyu Shipyard, China	56,616
m.v. Vishva Nidhi	Dry Bulk carrier	STX (Dalian) Shipbuilding Co. Ltd., China	57,145
m.v. Vishva Prerna	Dry Bulk carrier	STX (Dalian) Shipbuilding Co. Ltd., China	57,161
m.v. Vishva Bandhan	Dry Bulk carrier	STX (Dalian) Shipbuilding Co. Ltd., China	57,196
m.v. Vishva Ekta	Dry Bulk carrier	STX (Dalian) Shipbuilding Co. Ltd., China	57,099
m.v. Vishva Vikas	Dry Bulk carrier	STX (Dalian) Shipbuilding Co. Ltd., China	57,127
SCI Panna	Offshore Vessel	Bharati Shipyard Ltd., India	2,001
SCI Ratna	Offshore Vessel	Bharati Shipyard Ltd., India	1,983
SCI Pawan	Offshore Vessel	Cochin Shipyard Ltd., India	1,994
SCI Mukta	Offshore Vessel	Bharati Shipyard Ltd., India	1,966

VESSELS DISPOSED OF DURING THE YEAR

Vessel Name	Type	Year Built	DWT
m.v. Kanpur	Dry Bulk carrier	1986	47,175
m.v. Alaknanda	Dry Bulk carrier	1986	47,222
m.v. Mandakini	Dry Bulk carrier	1986	47,195
m.v. Uttarkashi	Dry Bulk carrier	1986	47,223
m.v. Dev Prayag	Dry Bulk carrier	1986	47,349
m.v. Rishikesh	Dry Bulk carrier	1986	47,315
m.v. Hardwar	Dry Bulk carrier	1986	47,311
m.v. Varanasi	Dry Bulk carrier	1987	47,351
m.v. Pataliputra	Dry Bulk carrier	1987	47,303
m.v. Murshidabad	Dry Bulk carrier	1987	47,311
m.t. Bharatidasan	Product Carrier	1991	29,755
m.t. Tirumalai	Chemical Carrier	1991	33,058
m.t. Sabarimala	Chemical Carrier	1992	33,058
Dr. Nagendra Singh	Offshore Vessel	1985	1,817

VESSELS ON ORDER AT THE END OF THE YEAR

Type	No.	Shipyard	Total DWT
Anchor Handling, Towing & Supply Vessel (AHTSV) (80T BP)	1	Bharati Shipyard Ltd., India	2,000
Handymax Bulk Carrier	1	STX (Dalian) Shipbuilding Co. Ltd., China	57,400
Panamax Bulk Carriers	4	STX (Dalian) Shipbuilding Co. Ltd., China	322,620
Anchor Handling, Towing & Supply vessels (AHTSV) (120 T BP)	2	Cochin Shipyard Ltd., India	3,940
Platform Supply Vessels (UT 755 Design)	2	Cochin Shipyard Ltd., India	6,120
Kamsarmax bulk carriers	4	Jiangsu Eastern Heavy Industry Co. Ltd., China	328,000
Very Large Crude Oil carriers	2	Jiangsu Rongsheng Heavy Industries Co. Ltd., China	634,000
6,500 TEU Cellular Container vessels	3	STX (Dalian) Shipbuilding Co. Ltd., China	256,800
AHTSVs (120 T BP)	1	Cochin Shipyard Ltd., India	1,970
3,500 TEU Cellular Container vessel	1	Rongcheng Shenfei Shipbuilding Co. Ltd., China	43,000
AHTSVs (80T BP)	6	ABG Shipyard Ltd., India	12,000
Total	27		1,667,850

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

World Scenario - Economy & Seaborne Trade

The global GDP growth contracted to 3.8% in 2011, down from 5.2% growth witnessed in 2010 mainly as a result of the ongoing European debt crisis and the sluggish growth of US economy. Some of the other factors that led to this contraction in growth were the shrinking Japanese economy and slower economic growth in China and 'Other Developing Asia' with the Indian economy slowing down due to fall in Industrial production.

Seaborne Trade, Fleet & Market

In the 'Dry Bulk' segment, global trade was nearly 4 billion tonnes in 2011, growing at a much slower pace of 6.4% compared to a robust 12% growth seen in 2010. The growth was mainly on account of Chinese dry bulk imports which increased by 11%, with imports into the 'Developing Asia' region and Europe growing by 9% each. In contrast, Japanese imports shrank from their previous year's level. In terms of commodities, global iron ore trade rose by 7.5% in 2011 while the steam coal and steel products trades grew by 12% and 7% respectively. Grain imports growth slowed down considerably while the Met coal trade actually contracted from its previous year's volume. On the supply side, the 'Dry bulk and combi' fleet registered a substantial growth of 14.8% in 2011, which was more than double the growth in trade. With these unfavourable market conditions, the Dry bulk shipping market witnessed very depressed rates in 2011, falling far below their 2010 averages.

In the 'Crude Oil' segment, global imports in 2011 were nearly 2 billion tonnes, remaining at almost the same level as in 2010. China's seaborne crude imports grew by a moderate 3.8% in 2011 as growth in pipeline imports from Russia had a negative impact on seaborne trade. While 'Other Asia' also registered a growth in imports, several other major countries / regions namely North America, Europe and Japan witnessed a fall in their respective crude imports. On the supply side, the Crude tanker fleet grew by 6.5% in 2011. As a result of much higher fleet growth as against negligible increase in trade, Crude tanker rates were very depressed, with earnings in 2011 being lowest in 30 years after accounting for inflation.

In the 'Products' segment, imports in 2011 were around 0.9 billion tonnes, registering a small increase of 2.3% over the previous year's volumes. The Product tanker fleet expanded by around 3%. The rates for Product tankers of medium range size improved in 2011 over their 2010 averages, while for the larger sizes the rates fell from their previous year's levels.

The Container trade in 2011 was around 141 million TEUs with its growth slowing down to 6.3% compared to the previous year's level of 10.7%. Much of the trade slowdown is attributed to slower demand in the leading Western economies that affected the growth in Chinese exports, which fell sharply by nearly 10% from their 2010 level. With declining growth in trade coupled with continuing expansion of the fleet, which grew by 7.5% in 2011, the freight rates eventually fell to the lows of 2009 by end 2011.

Indian Scenario

As per RBI, India's GDP growth in 2011-12 declined to around 6.5% from 8.4% in 2010-11. 'Agriculture' sector growth in 2011-12 was the lowest at 2.5%, 'Industry' sector at 3.9% and 'Services' sector at 9.4%. (As per Central Statistical Office, (CSO) Advance estimate of National Income GDP growth rate has been pegged at 6.9%).

According to sources from Ministry of Commerce, the provisional data shows India's exports in value terms rose by 21% to US$ 303.7 billion in 2011-12, while imports rose by 32.1% to US$ 488.6 billion. As per Indian Port Association (IPA), the quantum of Cargo Traffic at India's 12 major ports declined by 1.7% in 2011-12 i.e. from around 570 million tonnes in 2010-11 to 560 million tonnes in 2011-12. The largest commodity group comprising the total traffic was POL with around 32% share, followed by Container traffic (22%), 'Other cargo' (18%), Iron ore (11%), Thermal Coal (9%), Coking coal (5%) and Fertilizers - Finished & Raw (3%).

The decline in traffic was mainly due to a huge drop of 22% in the traffic at Mormugao, followed by a 9% drop each in traffic at 'Kolkata & Haldia' combined and Chennai. In terms of commodities, the decline was mainly on account of a 30% drop in Iron ore exports, followed by 4% decline in Coking coal imports and nearly 1.5% decline in Finished fertilizers.

The minor ports in India registered a robust double digit growth of 17% in cargo traffic in 2011-12, handling around 370 million tonnes with a share of nearly 40% of the 930 million tonnes total cargo handled by both major and non-major (minor) ports. In contrast, the traffic in major ports, accounting for the remaining 60% share of total traffic, witnessed a marginal reduction from its previous year's volume.

B. OPPORTUNITIES & THREATS

Global Economy

The global economic growth is expected to remain low with only 3.2% growth projected in 2012. While the US economy expanded modestly in early 2012, the European economies contracted further. The Chinese government has lowered its GDP growth target to 7.5% for 2012 which would be the slowest growth since 2001. Overall, with a gradual improvement anticipated in the second half of this year, the global GDP growth in 2013 is projected at 3.9% before leveling off at just over 4% from 2014 through 2016.

Global Trade

The growth in 'Dry Bulk' trade segment is expected to be marginally higher at 6.7% in 2012 compared to the growth in the previous year. This increase is mainly on account of a sustained growth expected in Chinese steel production and the South American grain exports as well as Brazilian iron ore exports, which are expected to increase after the weather related disruptions experienced in January 2012. Overall the Chinese dry bulk imports are projected to grow by 11% in 2012 and Asian imports (excluding China and Japan) by 6%. Japanese imports are expected to grow only slightly, recovering from the contraction experienced in the previous year while European imports are expected to shrink. During the period from 2012 to 2016, global dry bulk trade is expected to increase at a slightly lower pace of 6.2% annually, most of which would again be due to China's long haul Brazilian and African Iron ore imports. Chinese steam coal imports are also expected to rise rapidly. On the supply side, the global 'Dry bulk and combi' fleet is estimated to expand by 11.6% in 2012 at a much higher rate than the growth in trade demand thereby exerting a further downward pressure on freight rates. The pace of Fleet growth is then projected to reduce to just below 6% in 2013 and then further slowdown in the next few years.

The oil demand is expected to stagnate in North America and Europe and witness a slowdown in Asia in 2012. In the 'Crude Oil' segment, global trade is projected to witness a modest growth of 2.8% in 2012 and during the next 4 years upto 2016 the growth is likely to be even lower at 1.3% annually. On the supply side Crude tanker fleet is expected to expand by 4.2% in 2012 and at a lower rate of 1.1% annually during the next 4 years.

In the 'Product' segment, global trade is reckoned to grow slightly by 1.5% in 2012 and during the next 4 years the growth is likely to be little higher at 2.1% annually. On the supply side, Product tanker fleet is expected to expand by 2.4% in 2012 and subsequently at a slightly faster annual pace of 3% upto 2016.

In the Container segment, the growth in global containerized trade in 2012 is expected to continue to decline to 5.5%, down from 6.3% in 2011, as the growth on major routes slows down. However, the trade is estimated to gain momentum in the second half of 2012 and the growth is projected to cross 9% in 2013 and then moderate slightly during 2014–2016 with 'Developing Asian' economies and emerging economies in Latin America and Africa leading the growth during this period. The 'Container capable' fleet growth is expected to be 7.2% in 2012 and slow down a little in the next year. Thereafter, it is projected to increase, averaging a little below 9% annually from 2014-2016.

Indian Economy & Trade

The projection for the country's economic growth by RBI for 2012-13 is 6.5% led by growth in 'Services' sector at 8% followed by 'Industry' sector at 4% with 'Agriculture' being the lowest at 3%.

C. OUTLOOK

In the Dry Bulk segment, as a result of considerably lower rate of growth in trade compared to the rapid increase in the fleet, the freight rates are estimated to remain very weak till mid 2013. The recovery in rates is expected thereafter through to 2015 with the rates firming up subsequently.

As the Crude tanker fleet continues to grow at a fairly rapid pace vis-a-vis the trade growth, the spot rates are likely to remain very weak over next two years. One-year Time Charter rates for Product tankers in the medium range size are expected to increase modestly during 2012 whereas for the larger sizes they are expected to decline slightly. Subsequently, the rates in both size ranges are expected to rise steadily.

In the Container segment spot rates in the premier trade routes registered a recovery in January 2012. Carriers operating on the Asia-Europe route as well as on other routes successfully implemented rate increases in the first half of 2012. However, the rates are expected to fall back in the last quarter of 2012 before starting recovery in 2013.

D. RISKS & CONCERNS

The possibility that the performance of European economies could be much more adversely impacted than currently anticipated remains a matter of considerable concern. Under such a scenario, Eurozone countries, US and other nations may get into a deep recession and the global GDP growth could further slow down to 1.4% in 2011 and to 2% in 2013 which would have significantly unfavourable impact on global trade.

Consequently, in the Dry Bulk segment, the global steel demand would fall considerably which, coupled with slower growth in steam coal trade, would result in lower dry bulk trade demand than currently envisaged. On the supply side, there is concern that the fleet may grow faster than presently projected. As a result of these developments, dry bulk rates could be even more depressed. In the Oil segment, the global oil trade may witness only a marginal growth with Tanker rates remaining extremely weak through the end of 2013. Thereafter a mild recovery could be expected during the next three years. Global containerized trade may contract by 1% in 2012 instead of witnessing a 5.5% growth as projected currently, and expand by only 4% in 2013 with rates falling substantially in the second half of 2012 with a modest recovery starting only by end 2013.

A detailed analysis of how the above would impact each segment of the Company is discussed below. The segments have been divided into three parts viz. (1) Bulk Carrier & Tanker (Bulk Segment), (2) Liner & Passenger Services (Liner Segment) and (3) others.

(1) BULK CARRIER & TANKER

The Bulk Carrier & Tanker has been further sub-divided into two segments viz. (I) Tanker and (II) Dry Bulk.

I) Tanker

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The tanker market remained in a state of flux and sentiments remained bearish throughout the financial year as demand for both product and dirty vessels either declined or showed very little growth. Apart from economic woes that took their toll, a combination of ample tonnage and lower activity levels led to a bleak year.

The annual growth in oil demand weakened to 0.9% in 2011 after last year's firm recovery of 3.2%. However, it must be noted that 2010's growth rate was high partly because of the low base for 2009. While non-OECD demand growth slowed to 2.9% in 2011 from last year's 5.5%, largely because of weak Chinese and Indian demand, OECD demand contracted by a sizable one percentage point after last year's recovering trend.

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. However, a major setback has been the decreasing quantity of natural gas being explored by operators. Furthermore, crude oil production are not increasing as per expectations due to ageing Bombay High and not enough new exploration taking place due to uncertain economic conditions.

India has emerged as the second-fastest importer, after China, growing at 6% in 2011. While, Indian exports increased the fastest in the world in volume terms, in terms of dollar realisation, the growth has been slowing sharply since August 2011, according to Ministry of Commerce.

Production & Consumption

The Economic Survey 2011-12 has stated that the total refining capacity in the country as on January 1, 2012, was 193.39 million tonnes per annum (MTPA), of which 116.89 m.t. was in the public sector, 6 m.t. in joint ventures, and the balance 70.50 m.t. in the private sector. India's oil refining capacity is expected to have risen by 15% to 214 million tonnes a year at the end of FY 2011-12.

Indian crude oil production rose barely 1% in 2011-12 over the previous year to 7,63,000 barrels per day or 38.087 MMT. India imported nearly US$ 150 billion value of crude oil which comprises one-third of India's total import in value terms.

According to the Ministry of Petroleum, the consumption of petroleum products during 2010-11 was 141.785 million metric tonnes (including sales through private imports) which is 3.60% higher than that of 138.196 million metric tonnes during 2009-10. Further it is expected that the consumption of petroleum products should increase by 4.9% in 2011-12 mainly on the back of massive 11.9% increase in diesel consumption.

B. OPPORTUNITIES AND THREATS

Opportunities

Indian crude oil demand, despite the growth of renewable and alternative energy sources, will rise at least 60% from the current 3.7 million bbd to around six million bbd by 2021-22.Global oil demand is projected to rise to 90.3 mbpd in 2012, up about 1.27 mbpd y-o-y (year-on-year). This would increase the oil trade. The OPEC output is expected to be higher in the coming year. Russian production is expected to increase with the production coming out from new discoveries. China is strategically growing its trade from Caribbean's adding tonne-miles to the present fleet strength which means more ships will be required to transport same volume of crude oil. India's refining capacity is increasing at fast rate, making it a refining hub. Hence, product exports from India is expected to grow at a fast pace. India's LNG imports are increasing. SCI is the only Indian shipping line engaged in transportation of LNG. The growing trade will offer more opportunities to SCI to participate in this trade.

Threats

The tanker industry is in the high tonnage growth phase. The orders placed during the economic peak of 2008 are all in the market, resulting in high tonnage availability. A near future turnaround of the market is bleak. Competition from Indian Owners has increased in the last few years. This has resulted in lowering of margin mainly in the coastal trade and India centric imports from Asian Gulf and West Africa. Slower rate of growth in China and economic slump in Europe, which unless compensated by growth in OECD / Other Developing Economies, would reduce the rate of demand growth.

C. SEGMENTWISE PERFORMANCE

Crude Oil Tankers

During the tough shipping market situation in financial year 2011-12, your Company performed relatively better than the over all shipping industry, but as new tonnage has been inducted in last two years, the capital expenditure increased significantly, severely affecting the profit.

M/s. Hindustan Petroleum Corporation Ltd. (HPCL) and M/s Bharat Petroleum Corporation Ltd. (BPCL) continue to have COA arrangements with SCI for their crude transportation. In addition, the Company entered into short-term COAs with Chennai Petroleum Corp. Ltd. (CPCL) and Reliance Industries during the year.

Ship-to-Ship (STS) Lighterage operations

During 2011-2012, SCI's Lighterage Cell carried out 118 STS Lighterage operations on behalf of Oil Industries at various locations East & West coast of India and for Goa Maritime Private Ltd. (GMPL) at Goa (Panaji Port). Transfer of 1.923 MMT of crude Oil & 4.5 MMT iron ore carried out with above operations.

In addition to above Lighterage Cell conducted 28 SBM Mooring operations of storage Tankers at Mumbai High, Satellite and D1 oil fields. A total of 1.94 TMT crude handled by Mooring operations.

Employment pattern

Tankers

Crude Tankers

All the VLCCs which were on Time Charter at the start of FY 2011-12, were re-delivered and had been performing spot voyages except m.t. "Desh Ujaala" which is on time charter with Indian Oil (IOCL). The VLCC market continued to remain low till October'11 with approx TCY below US$ 10,000 per day with a little improvement from Nov'11 and VLCC market maintained better earnings thereafter. Overall FY 2011-12 has been a tough year and the VLCCs operating in spot has not been able to cover even their operating expenses for many voyages. The earnings of SCI VLCCs has been more or less in line with the market.

All the **Suezmax tankers** were deployed with Indian oil industry and performed COA voyages, except occasionally performing spot voyages for foreign charterers. The COA earnings are based on AFRA which has been low.

Under **LRII tankers**, M.T. Motilal Nehru and M.T. Jawharlal Nehru are single hull and non-coiled tankers suitable for coastal crude oils, there are no market average available for single hull tankers. The earnings compares well for this financial year compared to last year. M.T. Swarna Kamal and M.T. Swarna Jayanti are under pool and are operating in international waters mainly performing voyages under spot market. Their performance has been at par with the market.

Earnings of coiled / double hull **Aframax** tankers compare well with the market mainly on the back of COAs with Chennai Petroleum (CPCL) / Reliance Industries.

Amongst the six new-built LRI tankers, four were deployed as replacement for old PVC class LRI tankers and performed coastal movements for transportation of crude oil. One LRI tanker was deployed under clean trade and another LRI was deployed in spot market. The average earnings have been lower on year on year basis, but compare well with the market average.

M.T. C V Raman (**MR tanker**) is deployed solely under coastal trade. The vessel continued on time charter to IOCL at the same levels of earnings as last year.

M.T. Maharshi Karve which was an old tanker of more than 30 years was deployed on time charter to ONGC for storage duties at the same levels of earning as last year. The tanker has been disposed of for further trading on 27.7.2012.

Product Tankers

Swaraj Series & Tagore Series are all well employed with Indian charterers and their earnings compare well with the market average.

In the new built Swarna Series, m.t. "Swarna Pushp" and m.t. "Swarna Mala" are gainfully deployed in pool and their earnings compare well with the market.

LPG Carriers

The LPG carriers were pre-dominantly deployed under time charter to IOCL at prevailing market rate and are expected to be with them for long.

Acid Carriers

No market estimates are available for these tankers. Acid carriers were deployed on COA with Marocphos and also performed few spot voyages. The earnings have been lower as compared to last financial year due to weak market.

Your Company has been competing with other players in the global competitive market as few tankers including VLCCs were employed gainfully on cross trade. M/s. Hindustan Petroleum Corporation Ltd. (HPCL) and M/s. Bharat Petroleum Corporation Ltd. (BPCL) continue to have COA arrangements with SCI for their crude transportation. We also have a COA with M/s. MRPL for coastal transportation of crude.

D. OUTLOOK

Due to hefty order book, especially of crude tankers, the supply of tonnage could negate the rise in expected demand, widening further the already existing supply-demand gap. Although the demand for crude tankers is expected to rise, the supply of new tonnage will dampen the overall sentiment and pull down freight rates. On the other hand, product tankers should be able to perform better due to less order book and more demand worldwide. New additions of refining capacities in the Arabian Gulf and in Asia (especially India) will also result in greater demand for product tankers.

There are many risks facing the global economy in the next financial year, like the possibility of a financial meltdown in the EU, with some countries abandoning the Eurozone and there could be a possibility of a severe downturn. The other risk in the segment is the sanction on Iran which will have potential implications.

Your Company is also strengthening the LNG transportation segment. Being the only Indian Company having experience in LNG transportation and the potential of LNG imports with increasing re-gasification plants in East coast and West coast of India, SCI is well placed to take advantage of the future in this segment.

E. RISKS & CONCERNS

The world economy is going through a very difficult phase. The economic slump in Europe is affecting the world trade and is resulting in slowing growth rate of developing nations especially China. This has resulted in sluggish oil demand world-wide, which is effecting the oil transportation in adverse manner. Tanker owners are struggling to maintain the demand - supply equilibrium; but due to large order book built during the peak market conditions in 2005-08 period, the supply is outpacing the demand by large margin. The demand - supply imbalance will take longer than expected time to stabilize. On a positive side the order book has decreased substantially but it is premature to conclude that the order book will not build-up again. The other major area of concern is the Iran sanctions and growing tension in the Arabian Gulf region which may adversely impact seaborne trade.

Outstanding Payment from the oil industry

As on 31.03.2012, payment under various heads outstanding from the oil industry was approximately ₹ 268.82 crores. A substantial portion of the outstanding was in connection with the payment in respect of tankers oil transportation including freight, demurrage and charter hire. Your Company has been continuously following up with the oil industry for realization of overdue freight / demurrage claims.

II) Dry Bulk

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

World Scenario

This financial year has been very challenging for the dry bulk trade wherein the average BDI (Baltic Dry Index) during the year 2011-12 was 1424 (as compared to 2346 during 2010-11) a sharp fall of around 40%.

The Year 2012 has begun with severe rate declines compared to 2011 levels with a little improvement in March upon the return of normal demand after Chinese New Year celebrations. The last quarter of FY 2011-12 started with BDI falling to its lowest level in decades on the back of Chinese New Year holidays, weather related issues in key exporting ports of Brazil and Australia and increase in new built deliveries.

Dry bulk tonnage supply continues to expand rapidly at a growth rate of 15.2% from 525 million dwt at the end of 2010 to a massive 605 million dwt a year later, even though 19 million dwt. was removed in the same period.

The dry bulk fleet will maintain this double-digit growth in 2012, with the fleet forecast to reach 684 million dwt by the end of 2012. Even as demolitions remain quite high, the hefty delivery schedule is going to hit dry bulk ship-owners hard.

The order book continued to shrink into the fourth quarter of 2011, with deliveries heavily outnumbering new orders. The order book now stands at 213 million dwt (2,557 vessels), down from 279 million dwt (3,269 vessels) at the end of 2010.

Indian Scenario

Indian Iron Ore shipments and Coal imports are the driving forces for dry bulk demand in India. We are observing two totally different developments which are going to have severe impact on dry bulk shipping in India. The export of Iron ore has declined to 60 MT (Metric Tons) in 2011-12, a fall of 38.5% due to increased export duty of 30%, higher railway freight, iron ore production restriction by Karnataka and Goa governments and most importantly the less than expected demand growth globally. The prices in global markets have declined significantly due to slowdown in European Union and slowing growth in China. India is already grappling with a severe coal crunch amid a widening demand-supply deficit. The gap is pegged at 142 MT this fiscal and is likely to increase to 200 MT by 2016-17. The dependency on imported coal has increased from 6% to 13% in the last five to six years.

B. OPPORTUNITIES AND THREATS

Opportunities

It is projected that there will be high growth in trade volumes and tonne-miles demand. This is across all major trades i.e. Coal import, Iron ore export, Steel related export & import and grain trade. The present order book is shrinking and it is expected that by 2013 the demand supply gap would become reasonable. India is expected to see a capacity addition of 80,000 MW in the 12th Five-Year Plan (2012-17). Generation of 1 MW of thermal power requires around 4.5 MMT (million tones) of coal and this would mean that there will be huge investments in power sector and consequently the coal requirement to run these power plants would also increase. By the end of 12th five year plan the country's coal requirement will reach 1,000 MT of which approximately 200 MT coal will be required to be imported. Indian companies are making huge investments to secure raw materials like coal for their power plants and with these imports in the pipeline, the shipping sector is expected to get the cargoes for their ships.

Threats (Key challenges)

Ship deliveries are expected to be 8% higher in 2012 but there are no signs that demand can keep pace with supply, putting downward pressure on freight rates. Government policies of different countries remain one of the biggest challenges / threats for coal importers in India as they go shopping for foreign coal mines. Changing Government Regulations and duty structures in India can affect imports and exports of dry cargoes to a great extent, especially the export of Iron ore. Port infrastructure in India is poor with low end-user connectivity and longer turn-around time. Very few ports are able to accommodate larger (Cape-size) vessels and hence it becomes difficult to achieve economies of scale. Euro zone economic downturn will result in reduced demand for industrial raw-materials which can further contribute to falling dry bulk freight rates. Large iron ore exports from Brazil to China can reduce demand for Indian iron ore, a trade in which SCI has been an active participant. Leading ore supplier M/s. VALE has embarked on large scale conversion of VLCCs to VLOCs. In the iron ore sector, China's proposed import ban on lower grade iron ore below 'Fe' content 60% is likely to curb exports from India.

C. SEGMENTWISE PERFORMANCE

Your Company owns 3 older Handymax bulk carriers (average age 14 yrs) of around 45,000 dwt and 7 newly delivered Handymax dry carriers of around 57,000 dwt (delivered during FY 12) as on 31st March 2012. During the financial year your Company scrapped all 12 older Handymax dry carriers (Daewoo Series) as they completed their economic life of 25 years. This has resulted in a significant improvement in the average age of dry bulk carriers.

The dry bulk market started the financial year on a cautious note and has shown sharp correction throughout the year while touching its lowest level seen in decades. Your company faced tough time to fix the Daewoo series bulk carriers due to their age and technical limitations. The newer vessels although employed throughout the year, could not be gainfully employed due to sluggish market conditions. Our COA with SAIL continued during the year and was the only respite in terms of earnings. Other vessels performed under a mix of spot voyages and time charter at the prevailing market rates.

D. OUTLOOK

It remains to be seen how BDI performs after touching a record low (since 1986) of 647 in Feb'12. Ship supply has been outpacing commodity demand for the last few quarters, restricting any gain for dry bulk freight rates. With economic uncertainty in the EU and talk of a slowdown in leading commodity consumer China (e.g. China accounted for 58% of the world's Iron ore imports in 2011 and should keep a 60% share till 2016) adding to shipping woes, any real recovery in rates in the immediate future seems unlikely. India, with a lot more new power plants coming up, is becoming an increasingly major force in steam and coking coal imports.

The long term outlook is still promising. The IMF forecasts that the world economy will grow by more than 4% from 2013 which should spur demand for dry bulk vessels in the long run. Demand for dry bulk vessels is expected to increase by a little less than 6% in 2012 and little more than 6% in 2013. Thereafter, demand should pick up and grow by more than 7% in the long term.

E. RISKS & CONCERNS

The world economic conditions are not conducive for the bulk carrier industry and overdependence on China for growth is now adversely effecting the industry. The cargo availability has decreased drastically as the economic activities are slowing down. In contrast to the tanker industry, where the order book has decreased drastically, the bulk carrier order book has not gone down so sharply, as during late 2010 and early 2011, the order book again build-up due to improved market conditions. It is very unlikely that the market would be able to rebound in near future due to high supply of bulk carriers.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (BULK CARRIER AND TANKER)

Your Company's operational performance was severely impacted by the sluggish world economic conditions coupled with the oversupply of tonnage. This has resulted in decreasing freight rate throughout the year and the problem has been compounded by the increase in bunker prices. Although your Company was able to grow the operating income by 13-14%, the profit was much below expectation due to increase in bunker prices (your company's bunker expense doubled compared to last year) and increase in capital expenditure (due to new deliveries). It is worthwhile to observe that the bunker cost which constituted 23% of net sales in financial year 2010-11 has increased sharply to 41% in financial year 2011-12. The bulk carriers' freight rates saw huge erosion due to low BDI during the year, where the BDI touched a new low (at least in the last 25 years). Similarly the tankers were also impacted due to sluggish demand conditions. The product tankers although a little insulated from world sluggish market conditions due to their focus on coastal business, suffered less but were not insulated totally. The performances of LPG vessels have been at par with market and are employed on time charter throughout the year.

(2) LINER & PASSENGER SERVICES

A. INDUSTRY STRUCTURE & DEVELOPMENTS

World Scenario :

World over, the liner shipping industry experienced a very difficult year in 2011 with mounting losses and concerns about the industries performance witnessing a steep decline as last seen during the global crisis of 2009. These developments were in sharp contrast to the remarkable and unexpected turnaround in 2010. The growth in global containerized trade was considerably lower at 6% in 2011 as compared to 10.7% in 2010. The lower European and US imports contributed to an economic slowdown in China also, and China registered a reduction in the rate of growth of exports to 7% as against 17% in 2010. In the 'Transpacific East-Bound' trade lane there was a contraction of 0.4% in trade volume while in the other premier trade lane i.e. 'Asia-Europe West-Bound' volumes showed a slight growth of 2.8%. On the supply side, the total 'Container capable' fleet (i.e. including cellular vessels and non-cellular vessels engaged in containerized trades) growth was 7.5% in 2011.

The liner freight rates continued to experience considerable fluctuations similar to the trends witnessed over the last four years, and by end 2011 rates slid to 2009 lows. Deteriorating market conditions led to the downfall of box-rates in 2011. In the main 'Asia-Europe west bound' lane, rates dipped drastically at year end. With fuel costs twice as high as in 2009, liner companies continued to register huge losses in fourth quarter of 2011. The steep market correction is basically attributed to the under-cutting of rates by liner companies, particularly in Asia-Europe corridor.

Indian Scenario :

As per IPA, container throughput at India's major ports in terms of TEUs grew by only 3% in 2011-12, the slowest growth rate seen in three years. The country's 12 state owned ports handled 7.8 million TEUs compared to 7.5 million TEUs in the previous year. In terms of tonnage, the containerised traffic increased by a little over 5% to 120 million tonnes in 2011-12 from 114 million tonnes in previous year. JNPT handled around 55% of the country's total containerized traffic reported its highest ever throughput of 4.32 million TEUs. Chennai, the second-largest container gateway handled 20% of the country's total containerized traffic.

The SCI continues to be the only Indian mainline carrier providing services from India to some of the major global destinations including Far East / China, Europe, Middle-East / West Asia Gulf, East Africa etc. SCI also caters to the US market. However, several international container majors continue to pose severe competition, offering direct services or calling Indian ports en route on the main East-West trade lane.

B. OPPORTUNITIES & THREATS

With the global economic growth in 2012 expected to be lower than the growth witnessed in 2011, the global containerized trade growth is currently expected to fall to 5.5% in 2012 from 6.3% in 2011, which was already lower by 4.4% compared to growth in 2010. Container trade growth on nearly all major routes is projected to be lower in 2012 compared to growth in 2011 with growth in the premier 'Asia-Europe West-Bound' lane falling to a modest 1.3% in 2012 (i.e. by half of its level of 2.8% in the previous year). However, trade growth is projected to be over 9% in 2013 and then moderate to a slightly lower level during the next three years upto 2016. 'Developing Asian' economies and emerging economies in Latin America and Africa are expected to lead the growth during this period.

On the fleet side, the 'Container capable' (Cellular & Non-cellular) fleet growth is expected to be 7.2% in 2012 and 6.5% in 2013. However, growth is expected to rise thereafter depending on the projected trade growth and rates.

The breakbulk sector continues to have good potential in respect of imports of Over-Dimensional Cargoes (ODC), Project cargoes, Heavy Lift cargoes etc. on account of the Government departments / PSUs and other commercial organisations as the Infrastructure sector in India continues to remain buoyant.

C. SEGMENTWISE PERFORMANCE (Liner & Passenger Services)

Liner Vessels :

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

Type of Ships	As on 31.03.2011		Addition		Scrapping		As on 31.03.2012	
	No.	Dwt.	No.	Dwt.	No.	Dwt.	No.	Dwt.
Fully Cellular	5	2,02,413	-	-	-	-	5	2,02,413
Total	5	2,02,413	-	-	-	-	5	2,02,413

Average age of 5 owned Container vessels: Approx. 13 years, out of which 2 vessels are of around 4 years old.

As on 31.03.2012, the In-chartered container vessel tonnage operated by SCI comprised of 5 vessels of a total dwt. of 2,14,229 tonnes and 16,500 TEU total capacity.

In addition to the above owned and in-chartered vessels, SCI also has cargo loading rights on 28 vessels of its partners in various consortia arrangements that SCI has with leading shipping lines such as Mediterranean Shipping Company (MSC), PIL of Singapore, K-Line and NYK line of Japan, Wan Hai of Taiwan, Hanjin of Korea, Evergreen Lines of Taiwan and Xpress Lines (Seacon) of Singapore.

Your Company continued to deploy its owned / operated Container vessels and Breakbulk vessels in the following sectors.

Container Services

Indian Subcontinent Europe Service (ISES)

This service was started in 1994, with a single operator viz. SCI deploying its 3 owned vessels.

Indian Sub-continent Mediterranean (IMED) Service

The service which had been commenced in August 2010 in consortium with MSC operating from the Indian Subcontinent to the Mediterranean region was subsequently discontinued due to unfavourable market conditions and now the ISES service has been restructured with vessel sizes upgraded, commencing 7th April, 2012 from Colombo. This restructuring has been effected to cater to enhanced European trade requirement and also to the trade at the main ports of call of the erstwhile IMED service by adding 'Gioao Tauro' as a hub transshipment port. The restructuring of the ISES service with off-hiring one in-chartered vessel earlier operating in the IMED service has resulted in saving the charter hire outgo and operating cost while maintaining SCI's market share.

Far Eastern Sector

India / Far East Cellular Service (INDFEX 1)

This service commenced in June, 2001 with 5 vessels and is presently operated as a weekly direct service from India's West Coast to Central China, Korea, Hong Kong, Singapore and Malaysia on a round voyage schedule of 35 days. The service also links North Chinese ports through feeder service from the Korean port (Busan).

India / Far East Cellular Service-2 (INDFEX 2)

This service commenced in June 2002, connecting East coast of India to Shanghai in Central China, Korea, Hong Kong, Singapore; it also links North Chinese ports through feeder service from Korea and is operated as a weekly direct service with 5 vessels having a round voyage duration of 35 days. Considering the prevailing unfavourable market conditions SCI would be withdrawing 1 vessel from this service from September 2012. However, in order to keep a reasonable share of the markets, SCI would be making slot - swap arrangement and also upgrading the INDFEX 1 service (West Coast India to Central / North China) to meet additional trade requirement in this sector.

Through the INDFEX 1 and INDFEX 2 services, SCI covers the Chinese market extensively with a combination of direct calls and through the feeder service from Korea.

SCI Middle East India Liner Express (SMILE) Service

SCI commenced this independent weekly service in March 2008 to the Gulf with its 3 owned vessels on a round voyage schedule of 21 days. From 15th April 2012 the service is being operated with only 2 owned vessels.

Indian Sub-continent / East Africa Service (ISEAFR service)

The East Africa Service from the Indian Sub-Continent to East Africa is being operated since September, 2011 on a Slot-Swap basis with MSC.

Asia - East Africa Service (AEF service)

In view of the developments taking place in the East Africa region (Kenya, Tanzania) where trade potential is very high, SCI commenced the AEF Service with 5 vessels w.e.f. 18th April 2012 deploying 1 owned vessel in consortium with Evergreen Lines deploying 3 vessels and Xpress Lines (Seacon) 1 vessel. The service has a sailing frequency of 10 days with a round voyage duration of 50 days.

Feeder Operations

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

Break-Bulk Services

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

Coastal Operations

Domestic Passenger-Cum-Cargo Service

In addition to International operations, the SCI, with its one owned Passenger-cum-Cargo vessel and 10 managed vessels operates domestic passenger and cargo transportation services between the Mainland and the Andaman & Nicobar (A&N) group of islands and inter-island, on behalf of the Government of India. One managed vessel deployed in the Union Territory of Lakshadweep (UTL) sector has been laid up for scrapping.

Other Coastal Services

SCI also manages / mans certain other types of (Coastal) Research vessels on behalf of Government agencies / departments viz. 3 vessels of Ministry of Mines (Geological Survey of India) and 2 vessels of Ministry of Earth Sciences (Dept. of Ocean Development).

Manned and Managed Vessels

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

Type of Ships	As on 31.03.2011			Additions Nos.	Scrap / Redelivered (Nos.)	As on 31.03.2012		
	Nos.	Pax. Cap.	Cargo Cap. (m.t.)			Nos.	Pax. Cap.	Cargo Cap. (m.t.)
Pax-Cum-Cargo Ships	19	8303	6298	1	9	11	7724	6200
Other vessels	5	-	-	-	-	5	-	-
Total	**24**	**8303**	**6298**	**1**	**9**	**16**	**7724**	**6200**

The pattern of deployment of these vessels is as follows:

- 4 vessels for carrying passengers and cargo between the Mainland and A&N islands
- 6 vessels for Inter-Islands run in A&N sector.

- One managed vessel was deployed in the Union Territory of Lakshadweep (UTL) sector which has been laid up for scrapping.

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.

D. OUTLOOK

In the Container segment, major international liner shipping companies continued to experience substantial operating losses in the first quarter of 2012, which was the 5th consecutive loss-making quarter. Despite witnessing improvement from January to June 2012, the average east-west freight rates are expected to fall back again in October- December 2012. Rates in routes other than the main-haul lane remain low even in May 2012. However, with the expansion in fleet expected to be lower than the growth in trade in 2013, market conditions are expected to improve next year with freight rates projected to recover in early 2013.

In tandem with the global scenario, SCI's container services did not register positive results in 2011-12. During the subsequent six months i.e. from April to September 2012, the freight rates in most sectors / services are expected to show improvement over the previous year's average levels. However, in the last quarter of 2012 (October–December), rates in the main east-west lane are projected to fall back while the expected recovery in trade in early 2013 remains to be seen. On the other hand, bunker prices, after having increased sharply for a considerable period, have come down to some extent as a result of the economic turmoil in Europe and consequent fall in demand. Overall, considering the above mentioned developments and projections of fluctuating freight rates and the possibility of somewhat lower bunker prices (though from the high levels prevailing earlier), a slight improvement in the results of SCI's Container segment could be expected in 2012-13.

SCI has obtained Freight Forwarding and Multimodal Transport Operator (MTO) licences and continues to use its vast experience and large agency network to render 3PL (Third Party Logistics) services to the customers. This helps SCI to retain the clients while generating additional revenue. The prospects of Breakbulk services provided by your Company continue to be reasonably bright in respect of the independent Space Charter arrangements being made by SCI for carriage of import cargoes from various locations worldwide. Your Company will continue to operate Coastal and Passenger Services successfully by deploying its owned / managed vessels for the Andaman & Nicobar Administration, Geological Survey of India (Ministry of Mines), Ministry of Earth Sciences (Dept. of Ocean Development).

E. RISKS & CONCERNS

There is a risk of the global economic growth being very subdued as a result of continuing recession in Europe, USA and other major economies in the World upto 2013. In such scenario, there is a serious concern that global containerized trade may contract by 1% in 2012 and expand by about 4% in the next year which may have a downward effect on freight rates in the second half of 2012 continuing well into 2013. A modest recovery could then be expected to set in only in the latter part of 2013.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

For the year under review, in the Container services segment, the SMILE service registered a slightly positive result on account of the coastal leg. However, in line with the performance of major international container lines, SCI's container services in other sectors such as Europe and Far East could not achieve positive results due to extremely adverse market conditions with decline in freight rates and increase in direct operating expenses, mainly on account of sharp rise in bunker costs (around 30%), higher marine dues incurred and charter hire costs. In the Breakbulk sector, your Company continued to achieve positive results during the year under review. Coastal and Passenger services sector also earned good remuneration, thereby mitigating the loss incurred by the Company.

(3) OTHERS

TECHNICAL & OFFSHORE SERVICES

OFFSHORE SERVICES

(A) DEVELOPMENTS

OSVs owned by SCI

The ten OSVs owned by your Company are on 5 years long term charter with ONGC commencing from 2007-08. During the year one of the ten OSVs (m.v. D.N. Singh) was damaged due to fire accident in October 2011 was subsequently declared as Constructive Total Loss and was disposed of.

During the year, 4 new vessels viz. m.v. "SCI Panna", m.v. "SCI Ratna", m.v. "SCI Mukta" (80 T. Bollard Pull capacity) and m.v. "SCI Pawan" (120 T. Bollard Pull capacity) were inducted in the offshore fleet. With addition of these vessels, your Company's Offshore fleet has increased to 13 vessels. Your Company could, for the first time, undertake offshore business with parties other than its traditional customer, ONGC, by employing vessels with BG Exploration and Production India Ltd. and Transocean Drilling Services (India) Pvt. Ltd.

O&M of ONGC owned vessels

Your Company continued to operate ONGC owned 4 specialised vessels (MSV "Samudra Sevak", DSV "Samudra Prabha", GTV "Samudra Sarvekshak" and WSV "Samudra Nidhi") and 15 Samudrika (SAM) series OSVs on 'cost plus basis'. Their current contracts are expiring in March 2013. Seismic vessel "Sagar Sandhani" was operated by your Company till 05.09.2011 and disposed of as per ONGC's instructions.

KKS Wreck Removal Project :

Ministry of External Affairs (MEA) had requested SCI to take up project for the removal of total ten (10) wrecks at Kankesanturai Harbor (KKS), Jaffna, Sri Lanka. Accordingly, your Company had completed this project successfully as "Project Managers". The removal of all 10 wrecks, disposal of wreck was completed and wreck free Port was handed over to Sri Lankan Government by MEA on 18.01.2012.

Emergency Towing Vessel (ETV) 2011 :

At the request of Directorate General of Shipping (DGS), your Company had in-chartered one Emergency Towing Vessel (ETV) for safety and security on West Coast of India for 83 days. During this period, the ETV had offered its services to the vessels m.v. "Wisdom" and m.v. "Pavit" which had grounded off at Juhu beach, "m.v. Rak Carrier" and m.t. "Betal Guese". SCI has chartered in 1 ETV, for the current monsoon, on behalf of DG Shipping (MoS).

Outstanding amount :

An amount of ₹ 28.66 Crores was outstanding charter hire as of 31.03.2012 from ONGC against SCI owned OSVs and the same has been recovered as on date.

(B) Risks and Concerns :

Evolution of new markets in the Offshore Shipping Sector has led to entry of new players in the industry including foreign operators, some of which are equipped with modern technologies. In order to survive the onslaught of these operators your Company would require adequate resources in the form of modern vessels and expertise. Your Company's Offshore fleet is about 27 years old and your Company has already taken measures to replace same.

Considering Indian Oil Industry's requirement of various types of advanced vessels, SCI also needs to expand by acquiring more OSVs, meeting the existing / future offshore logistic requirement. Considering this factor, your Company had already placed an order for 4 Nos. 80 Tons Bollard Pull AHTS vessels with Bharti Shipyard (3 already delivered), 2+2 Nos. 120 Tons Bollard Pull AHTS vessels with Cochin Shipyard Ltd. (2 already delivered), 2 Nos. PSVs with Cochin Shipyard Ltd., (one delivered on 14^{th} August 2012 i.e. M. V. SCI Nalanda) and 6 Nos. 80 Tons Bollard Pull AHTS vessels with ABG Shipyard Ltd.

Information relating to period from 01.04.2012 till date :

Four vessels were delivered viz. two AHTSVs - m.v. "SCI Kundan" (120 Ton Bollard Pull capacity) and m.v. "SCI Ahimsa" (120 Ton Bollard Pull capacity) a Supramax size Bulk Carrier - m.v. "Vishva Diksha" (57,132.5 DWT) and a Kamsarmax Bulk Carrier - m.v. "Vishva Anand" (80,204 DWT).

Four vessels viz. "m.v. Ramanujam" (passenger vessel), "m.v. "Dakshineshwar" and m.v. "Gangasagar" (Handymax Bulk Carriers) and m.t. "Maharshi Karve" (Crude Oil Tanker), which had completed its economic life and were not financially viable to repair and operate were disposed of.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Out of existing 10 vessels of your Company, m.v. "Dr. Nagendra Singh" was available only up to 19.10.2011 due to fire damage. Five (05) of the existing 10 vessels underwent dry-docking during the year, hence profitability of your company's offshore vessels reduced accordingly. During the year, your Company had taken delivery of Four (04) new AHTSVs. Profitability of newer vessels was not as per the expectation because of uncertainty & delays in delivery from Indian Shipyards. This resulted in mismatch between delivery date and actual employment of the vessels. On an average 15-20 days were lost before which vessel could be commercially employed. In the near future, the profitability of newer vessels will increase as they are likely to be employed on long term charter.

Awards / Accolades :

Your Company's owned OSVs which are on charter to ONGC are most favored by ONGC for carrying out Anchor Handling & Towing Operations of rigs in Offshore field due to reliable performance even though the vessels are now about 27 years of age. SCI has been managing ONGC owned 15 Nos. Samudrika series OSVs since November, 2007. ONGC has conveyed its appreciation for making all SAM vessels operational and showing zero downtime.

TECHNICAL CONSULTANCY SERVICES

During the year under report the Company continued to provide technical consultancy services to A&N Administration, UTL Administration, UTL Tourism Dept., Directorate of Light Houses & Light ships, Geological Survey of India, National Institute of Oceanography and other Government Departments for their various ship acquisition / retrofit projects.

TONNAGE ACQUISITION PROGRAMME :

The year under report is the last year of the Country's Eleventh Five Year Plan. The Government has approved a total outlay of ₹ 13,135 crores for SCI under the Eleventh Five Year Plan. SCI had a proposal to induct 62 vessels of diversified fleet profile during the 11^{th} Five Year Plan period and by the end of the year 2011-12 (i.e. final year of the 11^{th} Plan), SCI has placed orders for 45 vessels including 3 resale vessels. The total outlay utilization for the 11^{th} Plan was ₹ 8538 crores.

The Company's tonnage acquisition programme for the year 2011-12 envisaged acquisition of 26 vessels with an outlay requirement of ₹ 2,850 crores, which included existing commitments as well as outlay for new projects. SCI has placed orders for 9 vessels including 2 resale vessels. The total outlay utilization for the year 2011-12 was ₹ 1852.21 crores.

The year under report marks the end of the 11^{th} Five Year Plan and your Company intends to continue investing in new and gainful assets in the 12^{th} Five Year Plan (2012-17) also. However, during 2011 the global shipping markets have once again reversed their trend from the slight recovery and at this juncture it is difficult to assess when the prevailing uncertainties would end. Hence, your Company feels that it is prudent to go slow on acquisitions for the time being. Nevertheless, your Company would be continuously monitoring / reviewing the market so as to capitalize on any opportunities thrown by the market.

Eco-Friendly and Conservation of Energy :

As a policy, the Company remained committed to environmental protection as per International Convention for the Prevention of Pollution from Ships. All engines being fitted on board are meeting latest requirement of NOx compliance. Necessary steps have been taken to minimize air pollution from ships. New designs of critical ship's systems have been adopted which further minimize / eliminate risk of oil pollution. The Company took various steps to conserve energy loss at sea through the exhaust of Marine Diesel Engines / Boilers in addition to other forms of conservation eg. use of Fresh Water Generator, application of Tin-free Self-Polishing Paints, etc., ballast water treatment plants and silt water management are being introduced for the recently ordered ships. Vessels antifouling coating has also been changed to TBT free paints. A ship recycling plan indicating details of all potentially hazardous material on board used during construction is provided to all new ships which will greatly contribute towards on board occupational health and safety and also environmentally friendly recycling of ships.

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

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

Technology Absorption, Adoption and Innovation

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

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

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

Situation in Coastal Operation and Off-Shore areas

Most of SCI's OSVs are on long term charter with ONGC, hence the market rates for them are steady. Further due to shortage of Indian flag vessels in Indian waters, some of the vessels, which fail to get long term contract are employed in spot market. Though the duration for spot market is short, due to lack of availability of suitable fleet to cater the demand, the market rates for Off-Shore vessels are relatively stable.

Measures taken by us to improve our services and operations

Your Company had already placed orders for new vessels for replacement of its old offshore vessels and to meet its customers' requirements. In addition your Company has ordered 4 higher Bollard Pull AHTSVs and 2 PSVs to diversify its offshore fleet. With addition of four new vessels (during 2011-12), your Company had flexibility to employ its vessels with the E&P operators other than its traditional client ONGC. During 2011-12, with the employment of 'm.v. SCI Ratna' and 'm.v. SCI Mukta', your Company had added two more E&P Operators to its customer list viz. BG Exploration and Production India Ltd. and Transocean Drilling Services (India) Pvt. Ltd.

Performance and Safety Enhancement Measures

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 of the International Maritime Organization (IMO) and SOLAS.

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.

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

The SCI is a certified ISO 9001:2008 Company (for Quality Standards - Quality Management Systems) by the Indian Register of Quality Services. SCI first acquired the then prevailing ISO Quality Standard viz. ISO 9001:2000 in May 2007. The Quality Management System of SCI has been successfully maintained since last 5 years. SCI is due for renewal of ISO 9001:2008 Certificate of Approval in the month of February 2013.

Implementation of ISM Code for vessels

Presently SCI holds separate Document of Compliance Certificates for individual ship-types like Bulk Carriers, Oil Tankers, Chemical Tankers & Gas Carriers, Passenger Ships and Other Cargo Ships. The last Annual DOC Verification of the Company was carried out by the Administration in January 2012, and DOCs were endorsed thereafter.

Implementation of ISPS Code

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

SCI has successfully implemented the ISPS Code on all vessels on international voyages and the vessels, which interface with the vessels on international voyages, well ahead of the deadline of 1st July, 2004. Limited compliance of implementation of the ISPS Code for coastal ships, as required by the Director General of Shipping, Mumbai, had been completed by 30th June, 2005. SCI plans to fully implement the ISPS Code on all its coastal ships with capacity of more than 3000 GT.

On an SCI ship, the Chief Officer is the designated Ship Security Officer but all Deck Officers, have been imparted approved Ship Security Officer's training. Additionally, engineer Officers, as and when available, are also being put through the above course. SCI is committed to abide by the requirements of its security policy :

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 provided under the Act. As on 31.3.2012, your Company has disposed of all the applications and all appeals received from the parties within the time prescribed under the Act.

Personnel & Administration

Industrial Relations

Your Company had harmonious relations during the year with the Unions. Wage revision has been done for shore officers, shore staff, petty officers and ratings. For fleet officers, the negotiations are in advanced stage at industry level.

Fleet Personnel

During the year, your Company, like other shipping companies all over the world, has been facing shortage of fleet officers mainly in the senior ranks for our vessels. In order to attract the officers, your Company has constantly aligned the wages with market by applying a correction factor to agreement wages, apart from taking other measures. As a long term solution, your Company has continued vigorous efforts to increase the supply of the officers and your Company trained about 300 nautical and engineering trainees for manning officer positions. On ratings side except for mismatch in some isolated cases, there is no shortage.

Wage Agreement for petty officers and ratings, has been concluded under the aegis of NMB on 24.02.2012 for a period of five years from 01.04.2010 - 31.03.2015. However, one of the unions has not been happy with the agreement and has moved the High Court. The Court has directed the Central government to constitute a tribunal. No major concern of agitation is envisaged on this count.

Your Company received NMDC Award for Outstanding Contribution to Maritime Community and for Most Compassionate Employer for the year 2012.

Maritime Training Institute

Your Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has conducted 279 Courses for 7115 participants and the total man-days trained during this year is 75432. These included 65474 man-days for SCI's personnel and 9958 man-days for personnel from other shipping companies. In addition to this, 173 of SCI's personnel were trained outside MTI and the additional man-days of training are 650.

Government of India has set up Indian Maritime University (IMU) at Chennai. Diploma in Nautical Science at MTI has been affiliated to it.

Shore Personnel

During the aforesaid financial year, recruitment process for the induction of 25 young professionals has been initiated. The total number of employees as on 31.3.2012 is 898 including CMD, five Functional Directors and CVO.

Various training programmes including General Management Training programme, 3 Tier Middle Management Programme and SAP Training have been arranged for officers and staff during the year.

The pioneering works of your Company in Human Resources have been acknowledged by the IPE HR Leadership Award 2012.

Corporate Social Responsibility (CSR)

During the year, your Company has committed an amount of ₹ 584 Lakhs in CSR projects / initiatives. In pursuance of CSR policy framed in 2009-10 your Company continues to undertake development initiatives as a responsible corporate citizen. The collaboration with Tata Institute of Social Sciences (TISS) for effective identification, monitoring, evaluation and reporting of CSR initiatives continues.

In order to improve the infrastructure and the quality of medical care to general public, your Company has partnered with Regional Mental Hospital, Thane, for procurement of medical equipments. 12 fully motorized hospital beds, have also been procured at Tata Medical Centre, Kolkata for the benefit of patients getting free or subsidized medical care.

Your Company continues to provide completely free pre–sea nautical training to Trainee Nautical Officer cadets belonging to SC/ST/BPL categories at MTI and sanction scholarships to the candidates belonging to these categories, pursuing marine engineering, nautical science and naval architecture at various campuses of IMU and IITs. Nursing training to 45 girls from coastal and backward areas of Tamilnadu has been imparted in partnership with Sri Ramkrishna Math. Also, in partnership with Jagrut Gharkamgar Sangathan (JGS) and TISS, 8 training sessions have been organised for domestic workers in Jogeshwari and Dharavi, Mumbai.

The Board is happy to report that your Company's efforts have been recognised at International Level. Your Company has been awarded with the prestigious Seatrade Middle East & Indian Subcontinent Award in CSR category at Dubai for its commitment to community welfare and voluntary initiatives. The exemplary operations, systems and achievements of your Company have also been recognised by the prestigious Greentech Platinum Award in Shipping Sector for CSR.

JOINT VENTURE COMPANIES

Irano-Hind Shipping Company (IHSC)

The performance of Irano Hind Shipping Company remains a matter of concern. During the Iranian year ended 19th March 2012 (Iranian year 1390) company earned net profit after tax of Iranian Riyals 430,026 Millions (US$ 35.08 Millions). The consolidated net loss of your joint venture company and its subsidiaries for the Iranian year ended 19th March 2012 stood at Iranian Riyals 14928 Millions (US$ 1.22 Million). The fleet owned by your joint venture company together with its subsidiaries as at 19th March 2012 stood at seven ships with an aggregate of 0.66 million dwt. Your Joint Venture Company had recommended issue of bonus shares of Iranian Riyals 120 Billion in the 36th General Assembly meeting held on 21.07.2010 increasing share capital of the company from Iranian Riyals 350 Billion to Iranian Riyals 470 Billion and actual increase was effected in the current year (Year ended 19th March, 2012) after obtaining approvals from competent authorities.

US and European Union authorities in addition to United Nations security council, have imposed sanctions, whereby IHSC and its subsidiaries, cannot deal in US Dollars or Euros. P&I Cover is also not available from the Insurance Companies which are dealing in US Dollars / Euros. The IHSC and group companies have been given "notice of acceleration" by two bankers (DVB Bank and Commerze bank) requiring repayment of all term loan (approx US$ 88 Million) along with pending interest immediately. The matter is receiving the attention at proper level in the Government, as your Company has substantial interest in the joint venture and step down subsidiaries.

SCI's Joint Venture in LNG (liquefied Natural Gas) vessels

India LNG Transport Company No. 1 & 2 Ltd.

As on 31st March 2012, both vessels, SS Disha and SS Raahi have carried about 307 cargoes and 277 cargoes of LNG each from the inception of the two Joint Venture Companies (JVC) in May, 2001, namely India LNG Transport Companies No. 1 & 2 Ltd. The vessels have delivered 77 cargoes equivalent to 5.01 MMTPA in the financial year 2011-12. Your Company had extended Shareholders' loan to the two companies and during the year 2011-12 the joint venture company has repaid an amount of US$ 3.31 million towards Shareholders' loan and US$ 1.52 million as interest on Shareholders' loan, to your company. The outstanding amount of Shareholders' loan as on 31st March 2012 is US$ 24.15 million. Your Company is managing these 2 LNG tankers independently from 24.12.08 for SS Raahi and 29.12.08 for SS Disha. Your Company has been paid US$ 1.23 million towards Management Fee & Accounting fee during the year 2011-12 by the joint venture company.

India LNG Transport Company No 3 Ltd.

The third JVC, India LNG Transport Company No. 3 Ltd, set up to service the Dahej Expansion Project was formed on 21.02.2006. Pursuant to the execution of the TCA (Time Charter Agreement) and other related project agreements viz. SBC (Ship Building Contract) etc., the Loan Agreement was executed on 19.12.2006 by the JVC for a loan of US$ 178.29 million. The outstanding Shareholders' loan by your Company as on 31st March 2011 is US$ 22.62 million. The LNG tanker, M.T. Aseem, was delivered on 16th November, 2009 and transports 2.5 million tons per annum of LNG from Ras Gas, Qatar to Dahej for Petronet LNG Ltd.'s expansion project. As on 31st March 2012, M.T. Aseem has carried about 86 cargoes of LNG from the inception. The vessel has delivered 39 cargoes in the financial year 2011-12. Your Company is manning the tanker from inception i.e. delivery of the tanker with its officers and crew and has been paid US$ 66,990/- towards Manning fee during the year 2011-12.

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

Your Company had entered into a Joint Venture with M/s Forbes & Company Ltd. and M/s. Sterling Investment Pvt. Ltd. and the JVC was incorporated on 18.07.2006, as "M/s. SCI Forbes Ltd". The Joint Venture Company owns and operates four chemical tankers of 13000 dwt each. All the four vessel of SCI Forbes are being operated in Womar Pool. The global downturn has impacted the chemical transportation business and SCI Forbes operations were also affected. The depressed market scenario is expected to prevail for some more time.

In the light of the aforesaid scenario, negotiations were held with Lenders to soften the loan terms. Based on the negotiations, the financiers agreed to suspend the standby charter requirement from Promoters w.e.f 01.07.2011. Further, on 30.08.2011 the cash collateral of US $ 26 m was also released by financiers for pre paying the shipping loan. It may be noted that the interest rate on loan has been increased from 75 bps to 110 bps above Libor rate as long as the stand by charter is suspended.

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

SAIL SCI SHIPPING PVT. LTD. (SSSPL) is a JVC between SCI and SAIL. SSSPL was incorporated on 19th May, 2010. SSSPL is in process of acquiring bulk carriers for commencing its operations and accordingly tenders were floated for the same. During 2011-12 the prices of vessels declined globally. Taking the advantage of declining prices, the SSSPL Board is contemplating acquisition of larger size bulk carriers.

SCI's participation in the Sethusamudram Ship Channel Project

The Government of India had constituted "Sethusamudram Corporation Limited" (SCL) to raise finance and to undertake activities to facilitate operation of a navigable channel from Gulf of Mannar to Bay of Bengal through Palk Bay (Sethusamudram Ship Channel). As per the Government directive, this Project is to be funded by way of equity contributions from various PSUs including SCI.

Memorandum of Understanding (MOU) with the Ministry of Shipping

Your Company's performance based on audited results under the MOU system has been rated as "Excellent" for two decades including for the year 2010-11. SCI has signed the MOU for the financial year 2012-13 as per the guidelines issued by the Department of Public Enterprise (DPE) incorporating challenging targets despite the slowing down of growth in global economy and trade and adverse market conditions. In addition to Financial Parameters, the MOU continues to accord due emphasis to several other important areas / activities such as Quality Management, Customer Satisfaction, Fleet Expansion & Modernization, Corporate Social Responsibility, etc. Moreover, activities under other parameters viz. 'Human Resource Management', 'Sustainable Development', 'Corporate Governance' and certain additional parameters as per the DPE requirements have also been incorporated in the MOU for achieving sustained overall growth.

Further Public Offer - Utilisation of FPO proceeds

During the year 2010-11, your Company had come out with a Further Public Offer (FPO) through 100% book building process, 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. Issue proceeds raised through 'fresh issue' made by the Company and the offer for sale by the Govt. of India amounted to ₹ 116472.8 lakhs. The shares issued under the Fresh Issue were listed on 15.12.2010 on the stock exchanges.

The Follow On Public Offer Proceeds have been utilized as per the objects of the issue as stated in the Prospectus as under :

Particulars		₹ In lakhs
Amount raised from Follow on Public Offer		58245
Less: Utilisation of funds up to 31st March 2011	45326	
Utilisation of funds up to 31st March 2012	12919	
Total Utilization		58245
Balance		Nil

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 on the date of allotment	41	5114
2	Number of shareholders who approached for transfer of shares from suspense account till 31.03.2012	37	4678
3	Number of shareholders to whom shares were transferred from suspense account till 31.03.2012	37	4678
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2012	4	436
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.07.2012	4	436

Segment-wise Performance

A report on performance of the various operating segments of the Company (audited) is included at Note No. 33 of Notes on Financial Statements for the year ended 31st March 2012, which is forming part of the Annual Accounts.

Internal Control Systems and their adequacy

Your Company has in place a system of internal controls commensurate with the nature and size of its operations. Internal controls are supplemented by an extensive programme of internal audits carried out by a firm of Chartered Accountants viz. M/s. T. R. Chadha & Co. The internal audit reports along with recommendations and implementation thereof are constantly reviewed by the Audit Committee of the Board. For the Financial Year 2012-13, M/s. P. C. Ghadiyali & Co. have been appointed as Internal Auditors.

SET-IT Project

SCI has gone live with a large scale integrated SAP ERP implementation project to bring in Enterprise wide transformation using State of the art technology and the same is getting stabilized.

Role of Vigilance Division in SCI

Various initiatives have been taken by the Vigilance Division for seamless integration with the SCI mainstream, encouraging a participative role in the organization, building up meaningful rapport between the Government, Company, its Board and sub-Committees and ensuring a paradigm shift towards the stated objective of making your Company totally corruption-free. Vigilance Division has a challenging task ahead as it has to achieve a proper balance between preventive and punitive vigilance.

Technology has been leveraged for achieving greater transparency viz. promoting online registration of complaints via the Vigilance Webpage contained in the SCI website; providing security to tenderers for sending price bids / quotations by emails; installation of dedicated email IDs for auto-generated responses to tenderers. A 'CVO's corner' for access to SCI employees was developed on the Company's intranet.

The Vigilance Division intends to achieve 100% application of IT in terms of e-procurement, e-tendering, reverse auctions and also have COTS packages for B&T, L&PS through ERP solutions provided by SAP for an end to end integration of the IT system.

Vigilance Division has been propagating the culture of lodging of complaints under the Public Interest Disclosure and Protection of Informers' Resolutions (PIDPR-popularly known as Whistle Blowers Resolution) whereby the identity of the complainant would be kept secret and he / she would be protected from victimization. A scheme for reward for informers has been instituted by creation of a recoupment fund viz. "Secret Services Fund" (SS Fund) whereby suitable rewards would be given to informants who give reliable and verifiable source information.

Vigilance Division continued to interact with various employees of SCI as well as various stake holders like suppliers, workshops, contractors etc. not only at Head Quarters but also during his station visits to Regional offices in India and abroad, which helped create an awareness amongst SCI's valued over-seas customers, Agents and the concerned department's officials. Interaction was also maintained with ship's personnel with an aim to study vigilance issues, International management system followed, quality aspect and best industry practices in terms of safety, health and environment issues.

Activities of the Vigilance Division carried out in 2011-12 :

During the year under review, the Vigilance Division continued its normal activities viz. Preventive vigilance, Punitive vigilance, Surveillance & detection, Proactive vigilance and Predictive vigilance.

The activities also included investigation into complaints of corruption / malpractice, scrutiny of Annual Property Returns (APRs), conducting surprise and periodic inspections, CTE Type / CAG inspections, conducting Systems Studies and recommending systemic improvements, selective scrutiny of Voyage Repair Bills, major works, dry-docking bills, various accounts, enforcement of Conduct, Discipline & Appeal (CDA) Rules of the Company, training to Vigilance Officers both on vigilance related subjects as well as general management, conducting Vigilance Awareness Programme with various programmes in which employees participated in large numbers such as Essay Writing, Elocution, Slogan and Poster competition.

On 24th May 2011, a meeting of contract officers / nodal officers was conducted in order to streamline the system of filing the Quarterly / Monthly Progress Reports for the contracts finalized by SCI.

A Core team was constituted, based on the investigations of complaints about Deck / Engine / Saloon Stores contracts, to prevent cartelization of suppliers.

Vigilance Study Circle Mumbai Chapter :

The Vigilance Study Circle was installed to spread Vigilance awareness and develop the knowledge and skills of Vigilance Professionals and providing an ideal platform for the Chief Vigilance Officers to meet and exchange their views / experiences, etc. on a regular basis. On 16-8-2011 Mumbai Chapter of Vigilance Study Circle successfully completed its 1st year as a forum for meaningful interaction between the CVOs of the Mumbai region.

ISO 9001:2008 Certification for Vigilance Division of SCI :

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

Integrity Pact in the Shipping Corporation of India Ltd.

SCI has signed a Memorandum of Understanding (MoU) with Transparency International India (TII) for the adoption of Integrity Pact. By signing the MoU, your Company is committed to have most ethical and corruption free business dealings with the counterparties whether they are bidders, contractors or suppliers. The 'threshold value' for implementation of Integrity Pact in domestic goods and service contracts is ₹ 1 crore. The implementation of the Integrity Pact is monitored by a panel of 3 eminent Independent External Monitors (IEM)s.

Vigilance Division also organized on the behalf of TII, a national seminar on Ethics in Business: on 17th August 2011. About 150 participants from the Government, Public Sector, Private Sector and NGOs participated.

UNGC compliance

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies. Your Company has pledged its commitment to the United Nations Global Compact since the year 2001 and stands committed to the principles enshrined in the Global Compact.

Human Rights

Your Company supports internationally proclaimed human rights principles and believes that it can play a positive role in safeguarding the human rights, their protection and promotion. Redressal machinery has been put in place to promptly handle the grievances from employees and customers. During the year, no case of human right violation is reported in your Company.

Labour

Your Company believes in principle of freedom of association and recognition of the right to collective bargaining. It also believes in effective abolition of child labour, elimination of discrimination in employment and all kinds of forced and compulsory labour. Your Company is an equal opportunity employer. It does not believe in any kind of discrimination based on race, religion, gender, political opinion or social origin in its employment. As per Supreme Court guidelines, a Complaint Committee to handle cases of sexual harassment at work place is operational in your Company.

Being a Central Govt. Undertaking, your Company scrupulously follows Govt. Instructions with regard to reservation in employment for Scheduled Castes / Scheduled Tribes / Other Backward Classes and Physically Handicapped etc. Presently, the Company has approximately 36% workforce in the SC/ST/OBC/Handicapped category and for promoting gender equality. Your Company continues to employ approximately 20% of female workforce.

Environment

Your Company is committed to doing business consciously and responsibly and believes in setting up sustainable systems to protect the environment. Your Company has taken environmental challenges seriously and it is demonstrated through its day-to-day operations. The Safety and Occupational Health & Environment Protection Policy is in existence in your Company. Right at the time of construction of ships, it is ensured that the new ships comply with strict environmental regulations.

Ethical Practices

Your Company believes in doing business, which is corruption free in all its forms including extortion and bribery. It has taken a step forward towards ensuring further transparency, equity and competitiveness in public procurements by adopting Integrity Pact Programme (of Transparency International India) for major public procurements. Independent External Monitors (IEMs) are appointed to monitor implementation of Integrity Pact.

Financial and commercial transactions are fully computerized and as such, they are least susceptible to fraud. SCI is having Global Cash Management arrangement with HSBC and Citibank and Cash Management solutions in India with HDFC Bank. Payments are directly credited to the bank accounts of parties through Electronic Payment modes. Annual conference of vendors is held to familiarize the vendors with SCI's system of procurement and take on record their suggestions for improvement.

Cautionary Statement

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

Implementation of Official Language Policy

During the year under report, your Company organized quarterly meetings of its Departmental Official Language Implementation Committee wherein a review on overall progress of Hindi in its offices was made and thereafter appropriate follow up actions were taken. Your Company has also represented by co-chairing the Town Official Language Implementation Committee (TOLIC) meetings with HPCL, during the year under report.

Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and Companies (Particulars of Employees) Amendment Rules, 1988, forms part of this report. Any shareholder interested in obtaining a copy of this information may write to the Company Secretary at the Registered Office of the Company.

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988

In terms of the Notification No. GSR 1029 dated 31.12.1988, your Company is required to furnish information under Clause (e) of Sub-section (1) of Section 217 of the Companies Act, 1956. The information to be furnished in Form A is not applicable to the shipping industry. Your Company, being a shipping company, has no particulars to furnish in Form B as regards technology absorption. The foreign exchange earnings and outgo during the year under report were as under:

- Foreign exchange earned and saved including deemed earned and saved ₹ 4206.80 crores.
- Foreign exchange used including deemed used ₹ 4258.09 crores.

Expenses on Entertainment, Foreign Tours, etc.

During the year under report your Company spent ₹ 63 lakhs on entertainment, ₹ 356 lakhs on publicity & advertisements and ₹ 606 lakhs on foreign tours of Company's executives.

Board of Directors

Shri Rajeev Gupta ceased to be a Director w.e.f. 7.12.2011 consequent to relinquishment of the charge of Joint Secretary (Shipping) in the Ministry of Shipping. The Board places on record its appreciation for the valuable services rendered by him.

The Ministry of Shipping (MoS) thereafter communicated appointment of Shri Rakesh Srivastava [who had taken additional charge of Joint Secretary (Shipping) in the MoS] as a Director on the Board of your Company which took effect on 23.12.2011. However, on his relinquishment of the additional charge of Joint Secretary (Shipping), he ceased to be a Director on the Company's Board w.e.f. 1.2.2012 and Shri M. C. Jauhari who took over the charge of Joint Secretary (Shipping), was appointed on the SCI Board w.e.f. 2.2.2012.

Shri U. Sundararajan, Prof. Sushil Khanna, Shri Arun Kumar Verma and Shri Arun Ramanathan are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for appointment.

Auditors' Report

The Auditors' Report is attached to the Report. The Statutory Auditors had, in respect to the Audited Accounts for the year ended 31.03.2012, drawn the attention of the members on issues mainly arising out of switching over to integrated ERP System which are mentioned below :

1. Refer Note No 35 (i) accompanying to the Financial Statement deals with Netting of certain Balances with trade receivables and payables pending adjustment of likely transaction, verification of physical documents and its authorisation and Note No. 35 (ii) in respect of accounting of the effects of changes in foreign exchanges rates of monetary items and consequential accounting of the exchange gain / losses of which impact on the financial statement is not ascertainable in respect of loss for the year and trade receivables and payables.
2. During the course of audit, failure to correct weaknesses in internal control systems is observed in accounting of transactions, interface of transactions amongst the subsystems and SAP-ERP. Further, no system audit is carried out for interface of the data from functional subsystems to SAP-ERP and other critical business process, to establish checks on the complete and proper recording of the transaction relating to the expenses and revenue, post implementation of functional and accounting software - SAP.
3. The Company has an internal audit system; however the same is not commensurate with the size and nature of its business. In view of implementation of ERP and other functional packages it requires further strengthening.

The replies of the Management to the Auditors' observations are given below :

1. The problem had arisen on account of implementation of the new IT system which is in the process of stabilization. To overcome this, the company has developed software to match the collectibles and collections related to customers. Substantial progress has been achieved in this regard upto 31st March, 2012. The management does not expect the impact to be material.

   In case of vendors, the expenditure incurred by the agents are prefunded through Proforma Disbursement Account after scrutiny of the prefunding claims. The final claims for the expenditure booked by the agent are received through Final Disbursement Account which are verified after the physical documents are received from the agent. This process takes time due to the nature of the business.
2. FY 2011-12 was the first full year of operations after the new systems were implemented. Expectedly, there were initial interface errors amongst the systems which were all effectively handled with the help of system vendors and consultants.

   It was decided to carry out the system audit after stabilization of the systems. Accordingly, the management proposes to carry out system audit in FY 2012-13.
3. Internal audit is carried out in the organization by an external firm of Chartered Accountants. After assessing the necessity of having internal auditors with SAP certification, system audit related qualifications, capacity to engage more number of staff in SCI and sufficient experience of audits in ERP environment, a new firm of Chartered Accountants fulfilling these requirements has been engaged w.e.f. 01.04.2012. With the stabilization of new IT systems, the scope of internal audit has also been widened.

Corporate Governance

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

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the accounts for the financial year ended 31st March 2012 on a "going concern" basis.

Acknowledgements

Your Directors extend their gratitude to Shri G. K. Vasan, Hon'ble Minister for Shipping, and look forward to his continued support and guidance. Your Directors also extend a hearty welcome to Shri Pradeep K. Sinha, Secretary to the Government of India, Ministry of Shipping and look forward to his support and guidance in managing the affairs of the Company.

Your Directors also take this opportunity to express their gratitude and thanks to Shri Mukul Roy, former Hon'ble Minister of State in the Ministry of Shipping, and Shri K. Mohandaas, former Secretary to the Government of India, Ministry of Shipping for the support and guidance extended to your Company during their tenure. Your Directors also wish to express their thanks to the officials in the Ministry of Shipping, Road Transport & Highways for the unstinted support given by them in various matters concerning the Company. Your Directors would also like to convey their thanks to other Ministries, Trade Organizations, Shippers' Councils, who have played a vital role in the continued success of your Company.

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

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

For and on behalf of the
Board of Directors

Place : Mumbai
Dated : 13.08.2012

S. Hajara
Chairman & Managing Director

SCI's Philosophy on Corporate Governance

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

SCI's Code of Conduct

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

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

Board of Directors :

Composition of the Board of Directors

As of date, the Board of Directors of your Company comprises 16 members with a mix of 6 executive (including Chairman & Managing Director) and 10 non-executive Directors. Of the 10 non-executive Directors, 2 Government Directors represent the Promoters i.e. Government of India and 8 are Independent Directors.

The Clause 49 of the Listing Agreement dealing with Corporate Governance requires at least 50% of the total strength of the Board of Directors of a company to comprise of Independent Directors, which has an Executive Chairman. During the year under review, the Ministry of Shipping appointed Shri Rakesh Srivastava, Joint Secretary (Ports) as Non-Executive Director (ex-officio) on the Board of SCI w.e.f. 23.12.2011 in place of Shri Rajeev Gupta who had relinquished his charge as Joint Secretary (Shipping) and consequently ceased to be a Director on the SCI Board w.e.f. 07.12.2011. Subsequently, on relinquishment of the additional charge of Joint Secretary (Shipping) by Shri Rakesh Srivastava and consequent cessation of his directorship on SCI Board on 01.02.2012, the Ministry of Shipping appointed Shri M. C. Jauhari, Joint Secretary (Shipping) as Non-Executive Director (ex-officio) and his appointment on the SCI Board took effect on 02.02.2012.

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 2012 are set out below:

Name	Designation	No. of Directorships and committee memberships / chairmanships		
		Directorships in other public limited companies**	Committee memberships**	Committee chairmanships**
Executive Directors (Whole-Time)				
Shri S. Hajara	Chairman & Managing Director	02	NIL	NIL
Shri B. K. Mandal	Director (Finance)	01	NIL	NIL
Shri Kailash Gupta	Director (Personnel & Administration)	NIL	NIL	NIL
Shri J. N. Das	Director (Liner & Passenger Services)	NIL	NIL	NIL
Shri A. K. Gupta	Director (Technical & Off-Shore Services)	NIL	NIL	NIL
Capt. S. Thapar	Director (Bulk Carrier & Tanker Division)	NIL	NIL	NIL

Name	Designation	No. of Directorships and committee memberships / chairmanships		
		Directorships in other public limited companies**	Committee memberships**	Committee chairmanships**
Non-Executive Director (Part-Time Ex-Officio)				
Shri Vijay Chhibber	Addl. Secretary & Financial Advisor	NIL	NIL	NIL
Shri M. C. Jauhari	Joint Secretary	01	NIL	NIL
Non-Executive Directors (Part-Time Independent)				
Shri T. S. Ganeshan	Director	NIL	NIL	NIL
Shri Arun Ramanathan	Director	05	05	01
Prof. Sushil Khanna	Director	03	NIL	NIL
Shri Arun K. Verma	Director	NIL	NIL	NIL
Shri S. K. Roongta	Director	08	05	01
Shri U. Sundararajan	Director	01	01	NIL
Shri Nasser Munjee	Director	14	05	04
Shri S. C. Tripathi	Director	08	07	NIL

** In accordance with Clause 49(I)(C) of the Listing Agreement with the Stock Exchanges, only directorships on public limited companies have been considered and the directorships on private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 have been excluded. Similarly, in terms of the above Clause, membership / chairmanship of only the Audit Committee and Shareholders' / Investors' Grievance Committee of all Public Limited Companies has been considered.

Board Meetings / Annual General Meeting

During the financial year 2011-2012, 10 Board Meetings were held, the dates being 20.05.2011, 30.05.2011, 17.06.2011, 07.07.2011, 13.08.2011, 22.09.2011, 14.11.2011, 12.12.2011, 13.01.2012 and 14.02.2012.

The details about attendance of the Directors at the Board Meetings and at the 61st Annual General Meeting (AGM) held on 23.09.2011 are given below:

Name of the Director	No. of Meetings		Attendance at the last AGM held on 23.09.2011
	held during the tenure of Directors	attended	
Shri S. Hajara	10	10	Yes
Shri Vijay Chhibber	10	05	No
Shri Rajeev Gupta *	07	06	No
Shri Rakesh Srivastava #*	01	Nil	-
Shri M. C. Jauhari #	01	Nil	-
Shri J. N. Das	10	10	Yes
Shri Kailash Gupta	10	10	Yes
Shri B. K. Mandal	10	10	Yes
Shri Nasser Munjee	10	03	No
Shri U. Sundararajan	10	03	No
Shri S. C. Tripathi	10	06	No

Name of the Director	No. of Meetings		Attendance at the last AGM held on 23.09.2011
	held during the tenure of Directors	attended	
Shri T. S. Ganeshan	10	08	Yes
Shri Arun Ramanathan	10	06	Yes
Prof. Sushil Khanna	10	03	No
Shri Arun K. Verma	10	10	Yes
Shri S. K. Roongta	10	04	No
Shri A. K. Gupta	10	10	Yes
Capt. S. Thapar	10	10	Yes

The following Directors have been appointed on the Board w.e.f. the date mentioned alongside their names :-

Shri Rakesh Srivastava 23.12.2011
Shri M. C. Jauhari 02.02.2012

* The following Directors ceased to be Directors on the Board w.e.f. the dates mentioned alongside their names :-

Shri Rajeev Gupta 07.12.2011
Shri Rakesh Srivastava 01.02.2012

Committees of the Board

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

Contracts Committee of the Board

This Committee of the Board comprises the whole-time Directors, including Chairman & Managing Director as the Chairman of the Committee. The Committee deliberates on the matters pertaining to contracts having substantial financial implication. During the year under review, 5 (five) meetings of the Contracts Committee of the Board were held.

Sub Committee of the Board for raising finances

This Committee of the Board was formed on 24.11.2008 for the purpose of raising finances from the Banks / other Financial Institutions, with Shri Nasser Munjee as Chairman and Shri U. Sundararajan and Shri B. K. Mandal, Director (Finance), as its other two members. The total amount which the Committee can authorize to borrow is upto US$ 500 million per transaction either in Indian Rupees or in foreign exchange or partly in one or partly in others. During the year under review, 4 (four) meetings of the Sub Committee of the Board for raising finances were held.

Strategy Committee of the Board

This Committee of the Board was constituted on 11.08.2010 with Shri S. C. Tripathi as Chairman, Shri Nasser Munjee, Shri U. Sundararajan, Rear Adml. (Retd.) T. S. Ganeshan, Shri S. K. Roongta, one of the Government Directors, as its members. The Committee looks into the strategic decisions of the Company. During the year under review, 2 (two) meetings of the Strategy Committee of the Board were held.

Shipbuilding Acquisition Sub Committee of the Board (SASC)

This Committee was constituted in September 2010 primarily to finalize the eligibility criteria for Indian shipyards and periodically review the grading of the Shipyards. Rear Adml. (Retd.) T. S. Ganeshan is the Chairman and Shri A. K. Gupta and other officers as its members. Eight (8) meetings were held in the year 2011-12.

Ship Acquisition Committee (SAC)

This Committee comprises the whole-time Directors of the Company viz. Director (Finance), Director (Technical & Offshore Services) and Director of the Operating Division to discuss inter alia the company's acquisition plan and specific proposals. Shri T. S. Ganeshan, Shri S. K. Roongta and Shri Rajeev Gupta had been inducted on the Ship Acquisition Committee in February 2011 to consider vessel acquisition proposals before the same are put up for final approval of the Board. After cessation of directorship of Shri Rajeev Gupta, Shri Arun Kumar Verma has been inducted as a member. The Committee met 3 (three) times during the year.

Ship Disposal Guidelines Sub-Committee (SDC)

This Committee was constituted on 13.08.2011 and comprises the Independent Directors viz. Shri Arun K. Verma and Shri T. S. Ganeshan, to review the Ship Disposal Guidelines and submit its recommendations on amendments thereof to the Board. Six (6) meetings have been held for this Committee during the year.

Sub-Committee of the Board for reviewing the progress of implementation of SET-IT project (SAP Committee)

This Committee was constituted on 14.11.2011 to look into the issues relating to implementation of SET-IT project and comprises Shri U. Sundararajan as Chairman and Shri A. K. Verma and Shri Arun Ramanathan as its members. The Committee has met 3 (three) times during the year.

Committees of the Board constituted under Clause 49

Audit Committee

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

Shri U. Sundararajan was the Chairman of this Committee till 12.08.2011. The Audit Committee was reconstituted on 13.08.2011 with Shri Arun Ramanathan, as Chairman, and Shri Sushil Tripathi, Shri U Sundararajan and Shri Arun K. Verma as its members. All are independent Directors. 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 Clause 49(II) of the Listing Agreement with Stock Exchanges and the DPE guidelines 2010.

The Audit Committee held 10 meetings during the year. Apart from reviewing the quarterly / annual financial results of the Company, the Committee devoted these meetings inter alia for detailed review of the systems and procedures, accounting practices, internal control measures, status of risk management and process review of statutory and regulatory compliances. The attendance of each member of the Committee is given below:

Name of the Directors	No. of meetings held	No. of meetings attended
Shri U. Sundararajan	10	05
Shri S. C. Tripathi	10	08
Shri Arun Ramanathan	10	09
Shri Arun K. Verma	10	10

The Chairman of Audit Committee was present at the Annual General Meeting of the Company held on 23.09.2011.

Share Transfer Committee

This Committee of the Board comprising of Chairman & Managing Director and an Executive Director, regularly approves the transfer and transmission of shares and other related matters. As and when the shareholders made lodgements for transfer / rematerialisation, the Share Transfer Committee held their Meetings promptly to effect the transfers.

Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee of the Board met five times during the financial year 2011-12 i.e. on 26.04.2011, 12.08.2011, 13.11.2011 and 13.02.2012, which were attended by all its members. The Committee consists of Shri Arun Ramanathan as Chairman, and Shri Arun K. Verma and Shri B. K. Mandal as its members. Shri Arun Ramanathan and Shri Arun K. Verma are independent directors.

- ***Grievances & their redressals :*** During the year under review, 63 complaints were received. All the complaints have been replied / sorted out within average period of 7 days of receipt of each complaint as against the stipulated time of 15 days as per SEBI norms. No share transfers were pending at the end of the financial year. The sources of complaints received and other details are given below :

Source(s) of Complaints	Received	Redressed	Pending
SEBI	52	52	NIL
Stock Exchanges	10	10	NIL
Other than SEBI	1	1	NIL
Total	63	63	NIL

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

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

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

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the unpaid dividends remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Details of shareholders who have not encashed their dividend warrants in spite of the same being sent to them, has been uploaded on the Company's website.

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

Financial Year	Date of declaration	Proposed date for transfer to IEPF
2004-05 (Final)	28.09.2005	28.10.2012
2005-06 (Interim)	27.01.2006	26.02.2013
2006-07 (Interim)	17.03.2007	14.04.2014
2007-08 (Interim)	22.02.2008	21.03.2015
2007-08 (Final)	29.09.2008	28.10.2015
2008-09 (Final)	30.09.2009	29.10.2016
2009-10 (Final)	29.09.2010	28.09.2017
2010-11 (Interim)	03.03.2011	02.03.2018
2010-11 (Final)	23.09.2011	22.09.2018

Unpaid / unclaimed balance of the Interim Dividend 2004-05 account was due for transfer to IEPF as per Section 205A of the Companies Act, 1956 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 held are given below:

General Meetings	Date	Time	Venue
59th AGM (FY 2008-09)	30.09.2009	1530 hrs.	Registered Office of the Company, Mumbai
60th AGM (FY 2009-10)	29.09.2010	1630 hrs.	Registered Office of the Company, Mumbai
61st AGM (FY 2010-11)	23.09.2011	1530 hrs.	Y. B. Chavan Auditorium, Jagannath Bhosale Marg, Near Mantralaya, Mumbai - 400 021

59th *Annual General Meeting :* At this meeting no Special Resolution was proposed.

60th Annual General Meeting : At this meeting, one special resolution was proposed viz. for issue of fresh equity shares to the persons other than shareholders of the Company.

61st Annual General Meeting : At this meeting, two special resolutions were proposed for (i) Amendment in Articles of Association and (ii) Grant of ESOPs.

Means of Communication

Half-yearly Report sent to each household of shareholders	No, as the unaudited financial results of the Company are published in the newspapers every quarter and are also made available on the Company's website.
Quarterly Results published in newspapers	Yes, the newspapers being : ***For Quarter ended June 2011*** a. DNA, Mumbai Edition. b. Hindustan Times - Mumbai and Delhi c. Hindustan - Delhi d. Mint - Delhi e. Hamara Mahanagar - Mumbai and Pune f. Free Press Journal - Mumbai g. Navshakti - Mumbai h. Business Standard - All over India i. Financial Express - All over India. j. Business Line - All over India ***For Quarter ended September 2011*** a. DNA, Mumbai Edition. b. Financial Express - All over India. c. Business Standard - Mumbai. d. Business Line - All over India. e. Free Press Journal - Mumbai Edition. f. Hamara Mahanagar - Mumbai ***For Quarter ended December 2011*** a. Business Standard - All over India b. Pudhari - Mumbai ***For Year ended March 2012*** a. Business Standard, All over India b. Pudhari - 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	A conference call was arranged on 01.06.2012.
Whether Management Discussion and Analysis is a part of Annual Report or not	Yes

General Shareholder Information

Annual General Meeting – Date, Time & Venue	24th September 2012 at 1530 hrs. at Y.B Chavan Auditorium, Jagannath Bhosale Marg, Near Mantralaya, Mumbai - 400 021.
Financial Calendar	• The financial year under review covers the period from 1st April 2011 to 31st March 2012 • First Quarter Results - July, 2011.

<table>
<tr><td></td><td colspan="2">• Second Quarter Results - November, 2011.
• Third Quarter Results - February, 2012.
• Audited Results in lieu of Fourth Quarter Results - May, 2012.</td></tr>
<tr><td>Date of Book Closure</td><td colspan="2">17.9.2012 to 24.9.2012 (Both days inclusive)</td></tr>
<tr><td>Proposed Dividend</td><td colspan="2">The Board of Directors has not recommended dividend for this financial year.</td></tr>
<tr><td rowspan="4">Listing on Stock Exchanges & payment of listing fees</td><td colspan="2">Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.</td></tr>
<tr><td>National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Mumbai - 400 051.</td><td>The Calcutta Stock Exchange Association Limited
7, Lyons Range
Kolkata - 700 001.</td></tr>
<tr><td>The Delhi Stock Exchange Association Limited
DSE House 3/1, Asaf Ali Road
New Delhi - 110 002.</td><td>Madras Stock Exchange Limited
Exchange Building
11, Second Line Beach
Chennai - 600 001.</td></tr>
<tr><td colspan="2">The Company has paid the annual listing fees for the year 2011-2012 to the aforesaid Stock Exchanges within the stipulated time.</td></tr>
<tr><td>Stock Code</td><td colspan="2">The Stock Exchange, Mumbai - 523598
National Stock Exchange of India Limited - SCI
Demat-ISIN Number for NSDL & CDSL - INE 109 A 01011</td></tr>
<tr><td>Monthly high and low quotation of shares on the BSE and NSE during the financial year 2011-2012</td><td colspan="2">Please see ANNEXURE - 'A'.</td></tr>
<tr><td>Stock Performance in comparison to BSE Sensex</td><td colspan="2">Please see ANNEXURE - 'B'.</td></tr>
<tr><td rowspan="3">Registrar and Transfer Agents</td><td colspan="2">M/s. Sharepro Services (India) Pvt. Ltd.</td></tr>
<tr><td>Regd. Office:
Samhita Warehousing Complex,
13A/B, 2nd Floor, Behind Sakinaka
Tel. Exchange, Andheri- Kurla Road,
Sakinaka, Andheri (East), Mumbai - 400 072
Telephone No. 022-67720400/401/402</td><td>Investor Relation Centre:
912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai - 400 021.
Telephone No. 022-67720700</td></tr>
<tr><td colspan="2">Fax:022-28591568/28508927
E-mail: sharepro@shareproservices.com</td></tr>
<tr><td>Share Transfer System</td><td colspan="2">The transfers' processing are done by the Registrar and Transfer Agents and approved by the Share Transfer Committee of the Company. There are no pending share transfer requests as on 31st March 2012.</td></tr>
<tr><td>Distribution of Shareholding as on 31st March 2012</td><td colspan="2">Please see ANNEXURE – 'C'.</td></tr>
<tr><td>Dematerialization of shares and liquidity</td><td colspan="2">With effect from 26.06.2000, trading in the Company's shares was made compulsory in the dematerialized form. The Company's shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March 2012, 99.94 % of the paid-up equity share capital, representing 465544423 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.</td></tr>
</table>

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	Not issued.
Plant locations	The Company has no Plant.
Address for Correspondence	Shareholders' correspondences should be addressed to the Company's Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd. at their addresses mentioned above.

ANNEXURE - 'A'

Monthly high and low quotation of shares on the BSE and NSE during the financial year 2011-2012.

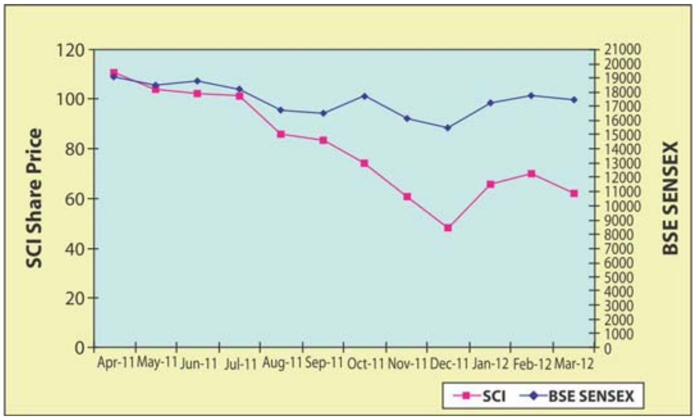
Month	Share Price on BSE		Share Price on NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2011	118.85	107.30	118.85	107.25
May 2011	111.90	97.00	112.40	98.75
June 2011	109.00	98.00	113.10	97.15
July 2011	108.70	95.10	109.00	101.00
August 2011	102.80	79.00	103.00	78.00
September 2011	91.60	81.65	91.07	80.10
October 2011	81.95	68.15	81.50	65.25
November 2011	74.20	57.65	74.40	57.65
December 2011	63.00	48.15	63.00	47.85
January 2012	69.20	46.60	69.30	46.10
February 2012	81.70	65.00	81.65	65.05
March 2012	73.25	58.90	78.00	58.80

ANNEXURE - 'B'

Stock Performance in comparison to BSE Sensex

Month	SCI's Closing Price (₹)	BSE Sensex
April 2011	110.80	19,135.96
May 2011	104.20	18,503.28
June 2011	102.50	18,845.87
July 2011	101.25	18,197.20
August 2011	85.90	16,676.75
September 2011	83.20	16,453.76
October 2011	74.00	17,705.01
November 2011	60.65	16,123.46
December 2011	48.30	15,454.92
January 2012	65.65	17,193.55
February 2012	69.85	17,752.68
March 2012	62.00	17,404.20

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



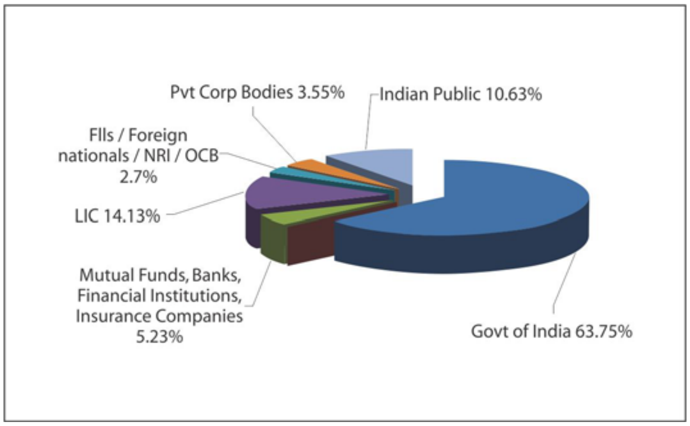
ANNEXURE - 'C'

Distribution of Shareholding as on 31st March 2012 *

CATEGORY	DEMATERIALISED		PHYSICAL		TOTAL		% TO	
	TOTAL FOLIO	TOTAL SHARES	TOTAL FOLIOS	TOTAL SHARES	TOTAL FOLIOS	TOTAL SHARES	FOLIOS	HOLDING
1-500	206136	25458526	142	23937	206278	25482463	94.46	5.47
501-1000	6483	4959692	9	7200	6492	4966892	2.97	1.07
1001-2000	3022	4424947	1	1200	3023	4426147	1.38	0.95
2001-3000	916	2312504	1	2400	917	2314904	0.42	0.50
3001-4000	399	1420260	0	0	399	1420260	0.18	0.30
4001-5000	292	1362559	0	0	292	1362559	0.14	0.29
5001-10000	459	3310055	1	6000	460	3316055	0.21	0.71
10001 & ABOVE	517	422295880	4	213850	521	422509730	0.24	90.71
	218224	465544423	158	254587	218382	465799010	100.00	100.00

*The figures are rounded off, wherever necessary.

Distribution of Shareholding by percentage of ownership as on 31st March 2012



Directors' Remuneration

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

(₹)

Name of the Director	Consolidated Salary (Note No.1)	Perquisites, Allowances & Other Benefits	Performance Linked Incentives (Note No.2)	Sitting Fees	Total
Executive Directors (Whole-time)					
Shri. S Hajara	19,98,575/-	7,71,327/-	29,30,411/-	-	57,00,313/-
Shri. B. K. Mandal	27,70,090/-	6,65,272/-	22,28,620/-	-	56,63,982/-
Shri. Kailash Gupta	25,86,249/-	7,05,040/-	22,53,691/-	-	55,44,980/-
Shri. J. N. Das	20,17,951/-	4,64,996/-	19,81,890/-	-	44,64,837/-
Shri A. K. Gupta	24,77,509/-	5,53,108/-	6,82,064/-	-	37,12,681/-
Capt. Sunil Thapar	24,72,756/-	5,63,442/-	7,27,702/-	-	37,63,900/-
Non-Executive Directors (Part-Time Ex-Officio)					
Shri Vijay Chhibber	-	-	-	-	-
Shri M. C. Jauhari	-	-	-	-	-
Shri Rakesh Srivastava	-	-	-	-	-
Shri Rajeev Gupta	-	-	-	-	-
Non-Executive Directors (Part-Time Independent)					
Shri U. Sundararajan	-	-	-	3,00,000/-	3,00,000/-
Shri Nasser Munjee	-	-	-	1,80,000/-	1,80,000/-
Shri S. C. Tripathi	-	-	-	3,20,000/-	3,20,000/-
Shri T. S. Ganeshan	-	-	-	7,00,000/-	7,00,000/-
Shri Arun Ramanathan	-	-	-	4,80,000/-	4,80,000/-
Prof. Sushil Khanna	-	-	-	1,00,000/-	1,00,000/-
Shri Arun K. Verma	-	-	-	6,40,000/-	6,40,000/-
Shri S. K. Roongta	-	-	-	1,40,000/-	1,40,000/-

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

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

i) SCI, being a Government Company, the remuneration of the Executive Directors (whole-time), who are Government appointees, is decided by the Government of India.

ii) The part-time official Government Directors do not receive any remuneration from the Company.

iii) The non-executive Directors (Independent Directors) are paid sitting fees of ₹ 20,000/- per meeting per day of attendance. Apart from the sitting fees, the non-executive Directors do not receive any other remuneration.

iv) In addition to the above, wherever necessary, the Directors are reimbursed the travelling and other related expenses for attending Board and other Meetings.

v) Criterion for payment of performance linked incentive is based on the policy prevailing in the Company.

vi) SCI being a Government Company, the appointment, tenure and remuneration of Directors are decided by the Government of India. All appointments of Executive Directors (whole-time) are contractual in nature. Government nominates non-executive part-time Directors from time to time on the board of the Company.

vii) The Company presently does not have any stock option scheme.

viii) Amongst the non-executive Directors, Shri Vijay Chhibber and Shri Rajeev Gupta are holding 1515 and 30 shares, respectively, as Government Nominees. The shares held by Shri Rajeev Gupta, erstwhile Director, are in the process of being transferred in the name of Shri M. C. Jauhari and Ministry's approval in this regard is awaited.

Subsidiary Companies

The Company does not have any subsidiary company.

Disclosures

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

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

1	Shri Vijay Chhibber	1515
2	Shri S. Hajara	1507
3	Shri Rajeev Gupta *	30
4	Shri B. K. Mandal	1
5	Capt. Sunil Thapar	1
6	Shri J. N. Das	1
7	Shri Kailash Gupta	1
8	Shri A. K. Gupta	1

* The shares held by Shri Rajeev Gupta, erstwhile Director, are in the process of being transferred in the name of Shri M. C. Jauhari.

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, 1992. 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.

Related Party Transactions

The details of all the transactions with related parties which are entered into the ordinary course of business are placed before the audit committee on quarterly basis. The related party disclosures as required under Accounting Standard 18 "Related Party Disclosures" are given in the Notes on Accounts of the Balance Sheet (Refer Note 30 to the financial statements). There were no material individual transactions with related parties which are not in normal course of business required to be placed before the Audit Committee that may have potential conflict with the interest of the company at large. All individual transactions with related parties were on "arm's length" basis. In the case of charter hire expenditure with respect to chartering in of the two chemical tankers from Joint Venture Company i.e. SCI Forbes Ltd., the ships were to be taken on charter due to stipulation in the loan agreement between the joint venture company and the lender that in case the arms length charter rate (i.e. the market rate) falls below US$ 13000 per day per ship, the same will be chartered in by the promoters at US$ 13000 per day per ship. Accordingly, out of the four chemical tankers owned by the Joint Venture Company, two ships have been taken on charter by SCI and the balance two have been taken on charter by Forbes & Co., the other promoter. The arrangement of stand by charter has been discontinued with effect from 01.07.2011 with the Lender's consent. The charter hire paid / and revenue earned in respect of this transaction resulted in loss to the Company of ₹ 5.15 crore.

Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Risk Management

The Company had appointed M/s. Ernst & Young (E&Y) to undertake an analysis of risk assessment and minimization procedures. M/s. E&Y had reviewed the mechanism and submitted their report to the Audit Committee and the Board, which was thereafter adopted by the Board in the year 2007. The Company has appointed Chief Risk Officer and Divisional Risk Officers. As per the procedure, the reports are to be discussed internally and thereafter in the Management Committee Meetings and later presented to the Audit Committee and the Board. M/s. T. R. Chadha & Co., Chartered Accountants, have been appointed to undertake an independent review of the risk management activity in the SCI.

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

During the year 2010-11, your Company had come out with a Further Public Offer (FPO), comprising of a 'fresh issue' of 42,345,365 equity shares in your company and an 'offer for sale' of 42,345,365 equity shares by the President of India. The shares issued under the Fresh Issue had been listed on 15.12.2010 on the stock exchanges. The FPO proceeds of ₹ 58245 lakhs were fully utilized in the financial year 2011-12 as per object of the issue for part financing of capital expenditure on projects specified for utilization.

Management Discussions and Analysis Report

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

Material Financial and Commercial Transactions of Senior Management Personnel

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

CEO / CFO Certification

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

Compliance with Non Mandatory Requirements of Clause 49

Maintenance of Office and reimbursement of expenses of Non Executive Chairman

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

Tenure of Independent Directors on the Board

SCI, being a Government Company, the appointment and tenure of the Directors are decided by the Government of India; however, currently, they do not exceed the time limits provided in this Clause.

Remuneration Committee

SCI, being a Government Company, the remuneration of the Executive Directors, who are Government appointees, is decided by the Government and hence, the Company has not constituted a Directors' Remuneration Committee.

However, a Remuneration Committee of the Board for deciding on annual bonus / variable pay pool and policy for distribution to employees below Board level, was formed on 24.1.2009 to decide upon the annual bonus variable pay pool and policy for its distribution to employees within the limits and as per the conditions prescribed by the Government as a part of the salary revision package of the shore officers. The Committee is headed by an independent director. Rear Admiral (Retd.) T. S. Ganeshan is Chairman of the Committee and Shri Nasser Munjee and Professor Sushil Khanna are its members. During the year under review, 3 (three) meetings of the Remuneration Committee of the Board was held.

Shareholder Rights - Declaration of financial performance

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

Audit Qualifications

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

Training of Board members

Besides the executive directors who have wide experience in the field of shipping, the Company has drawn professionals on its Board who have served / are serving at very senior positions in Financial Institutions, Banks and other institutions. The Board is also represented by senior IAS Officers. The Company had sponsored workshops organized by SCOPE on Corporate Governance for the Board members in June 2011 and December 2011.

Mechanism for evaluating Non-Executive Board Members

SCI being a Government Company where the Directors are appointed / nominated by the Government, the requirement of performance evaluation as envisaged in this clause does not apply.

Whistle Blower Policy

The Company being a Government Company, Whistle Blower policy is followed as per Central Vigilance Commission (CVC) guidelines which was approved by the Board.

Additional Disclosures as required under the Guidelines laid down by DPE

1. Status of compliance with the Presidential Directives by the Company

   Presidential sanction for the pay revision of the shore executives was received on May 1, 2009. There had been mismatch between the sanction and expectations of the executives. Further clarifications / instructions dated December 14, 2009 and February 28, 2011 were received from the Government. The salary revision for the shore executives as per the sanction read with the clarifications / instructions has been implemented in August, 2011.
2. There is no item of expenditure debited in the books of accounts which are not for the purposes of the business.
3. There are no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.
4. The office and administration expenses as a percentage of total expenses are 4.12% in FY 2011-12 as against 6.10% in FY 2010-11. The finance expenses as a percentage of total expenses is 8% in FY 2011-12 as against 1.99% in FY 2010-11. This has gone up primarily because of new vessel acquisitions during the FY 2011-12.

For the Shipping Corporation of India Ltd.

Place : Mumbai

S. Hajara

Dated : 13th August 2012

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 2011-12 and a confirmation to this effect has been obtained from the Directors & Senior Management personnel.

For The Shipping Corporation of India Ltd.

Place : Mumbai

S. Hajara

Dated : 22nd May, 2012

Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

M/s PSD & Associates
Chartered Accountants
324. Ganpati Plaza
M.I. Road, Jaipur - 302 001

M/s Sarda & Pareek,
Chartered Accountants,
Mahavir Apts, 3rd Floor,
598, M G Road,
Near Suncity Cinema,
Vile Parle (E) - 400 057

To,

The Members.
The Shipping Corporation of India Ltd,
Mumbai

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

We have examined the compliance of conditions of Corporate Governance by THE SHIPPING CORPORATION OF INDIA LIMITED for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges and as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.

As required by the Guidance Note issued by the Chartered Accountants of India, we have to state that based on the report given by the Registrar and Share Transfer Agent of the Company to the Shareholders / Investors Grievances Committee, as at 31st March, 2012 there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days.

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

For
SARDA & PAREEK
Chartered Accountants
FRN 109262W

Gaurav Sarda
Partner
Membership No.110208

For
PSD & ASSOCIATES
Chartered Accountants
FRN 004501C

Prakash Sharma
Partner
Membership No.072332

Place : Mumbai

Date : 13th August, 2012

P.S.D. & ASSOCIATES
Chartered Accountants

SARDA & PAREEK
Chartered Accountants

Auditors' Report

To
The Members of
The Shipping Corporation of India Limited,
Mumbai

1. We have audited the attached Balance Sheet of The Shipping Corporation of India Limited as at 31st March, 2012, and the Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (As amended) issued by the Government of India in terms of Section 227 sub-section (4A) of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in annexure referred to in para 3 above, we report that:
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub section (3C) of Section 211 of the Companies Act, 1956;
   e) Being a Government company, pursuant to the Notification no. GSR 829(E) dated October 21st 2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the Company;
   f) We further report that:

      Refer Note No. 35 (i) accompanying to the Financial Statement deals with Netting of certain Balances with trade receivables and payables pending adjustment of likely transaction, verification of physical documents and its authorisation and Note No. 35 (ii) in respect of accounting of the effects of changes in foreign exchanges rates of monetary items and consequential accounting of the exchange gain / losses of which impact on the financial statement is not ascertainable in respect of loss for the year and trade receivables and payables.

In our opinion and to the best of our information and according to the explanations given to us, **subject to our comments in Para 4 (f) above, of which effects on the accounts is not ascertainable**, the said accounts read together with Note No. 35 (iii) and the Significant Accounting Policies and accompanying Notes on the financial statement, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;

ii) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and

iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For P.S.D. & ASSOCIATES
Chartered Accountants
Firm Registration No : 004501C

(Manish Agarwal)
Partner
(Membership No.406996)

For SARDA & PAREEK
Chartered Accountants
Firm Registration No : 109262W

(Gaurav Sarda)
Partner
(Membership No. 110208)

Place : Mumbai
Date : May 29th 2012

Statement referred to in paragraph (3) of our report of even date to the members of **The Shipping Corporation of India Ltd.** on the accounts for the year ended 31st March 2012

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

(b) The assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Substantial part of the fixed assets has not been disposed off during the year.

(ii) (a) The stock of Fuel oil, bonded item on board has been physically verified by the management at reasonable intervals.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories, were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.

(iii) (a) The Company has not granted any loans secured or unsecured to any Company, firm or other parties covered in register maintained under section 301 of the Companies Act, 1956. In view of clause (iii)(a) above, the clauses (iii)(b), (iii)(c) and (iii)(d) are not applicable.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. In view of (iii) (e) above, the clauses (iii) (f) and (iii) (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for rendering of services.

During the course of our audit, failure to correct weaknesses in internal control systems is observed in accounting of transactions, interface of transactions amongst the subsystems and SAP-ERP. Further, no system audit is carried out for interface of the data from functional subsystems to SAP-ERP and other critical business process, to establish checks on the complete and proper recording of the transaction relating to the expenses and revenue, post implementation of functional and accounting software - SAP.

(v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under section 301 of the Companies Act, 1956. In view of clause (v) (a) above, the clause (v) (b) is not applicable.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

(vii) **The Company has an internal audit system; however the same is not commensurate with the size and nature of its business. In view of implementation of ERP and other functional package it requires further strengthening.**

(viii) As per the information and explanation given to us, maintenance of the cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities within a period of six months from the date they became payable which has since been deposited with the appropriate authorities.

(b) The disputed statutory dues aggregating to ₹ 11323 lakh that have not been deposited on account of matters pending before appropriate authorities are detailed below:

S. No.	Name of Statute	Nature of dues	Forum where the dispute is pending	Financial Year to which pertains	₹ in lakh (Net of Deposit)
1	Income Tax Act 1961	U/s 195	ITAT Mumbai	2003-04 to 2005-06	417
2	Income Tax Act 1961	Tax U/s 143(3) & 147	ITAT Mumbai	2005-06	2701
3	Income Tax Act 1961	Tax u/s 143(3)	CIT (A) Mumbai	2008-09	1687
4	Finance Act,1994	Service Tax	CIT (A) Mumbai	2002-03 to 2007-08	6518
	Total				**11323**

(x) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) According to the information and explanations given to us, Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xv) In our opinion and information and explanation given to us the Company has given the guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.

(xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Corporation, we are of the opinion that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year.

(xix) The Company has not issued any debenture/bonds during the year.

(xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.

(xxi) On the basis of the information and explanations given to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.

For P.S.D. & ASSOCIATES
Chartered Accountants
Firm Registration No : 004501C

Manish Agarwal
Partner
(Membership No. 406996)

For SARDA & PAREEK
Chartered Accountants
Firm Registration No : 109262W

Gaurav Sarda
Partner
(Membership No. 110208)

Place : Mumbai
Date : May 29th 2012

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE SHIPPING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2012

The preparation of financial statements of The Shipping Corporation of India Limited for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29 May 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of The Shipping Corporation of India Limited for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to the 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 under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller and Auditor General of India
(Dhiren Mathur)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai
Date : 27 July 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
I. EQUITY AND LIABILITIES			
1) SHAREHOLDERS' FUNDS			
a) Share Capital	1	46580	46580
b) Reserves and Surplus	2	626852	670231
2) NON-CURRENT LIABILITIES			
a) Long-term borrowings	3	552578	405630
b) Other Long-term Liabilities	4	1002	1437
c) Long-term provisions	5	7744	7815
3) CURRENT LIABILITIES			
a) Trade payables	6	60376	63574
b) Other current Liabilities	7	101338	87843
c) Short-term provisions	8	6680	18896
TOTAL		**1403150**	**1302006**
II. ASSETS			
1) NON-CURRENT ASSETS			
a) Fixed Assets			
i) Tangible assets	9	887160	731629
ii) Intangible assets	10	4115	5289
iii) Assets Retired from Active use (₹ 0.10 lakhs)		0	2
iv) Capital work-in-progress	11	36199	32905
b) Non-current investments	12	19236	19236
c) Long-term loans and advances	13	170501	168595
d) Other non-current assets	14	500	508
2) CURRENT ASSETS			
a) Current investments	15	8231	10031
b) Inventories	16	17745	14650
c) Trade receivables	17	78593	38073
d) Cash and Bank Balances	18	144241	246672
e) Short-term loans and advances	19	19038	13448
f) Other current assets	20	17591	20968
TOTAL		**1403150**	**1302006**

See accompanying Significant Accounting Policies & Note No. 1 to 39 to the financial statements

As per our report of even date attached hereto.

For P.S.D. & ASSOCIATES,
Chartered Accountants
FR. No. 004501C

For SARDA & PAREEK
Chartered Accountants
FR. No. 109262W

For and on behalf of the Board of Directors,

MANISH AGARWAL
Partner
Membership No. 406996

GAURAV SARDA
Partner
Membership No. 110208

DIPANKAR HALDAR
ED (LA) &
Company Secretary

B.K MANDAL
Director
(Finance)

S. HAJARA
Chairman &
Managing
Director

Mumbai,
Dated the 29th May, 2012.

Mumbai,
Dated the 29th May, 2012.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

	Particulars	Note No.		Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
I.	**Revenue from operations**	**21**		**382080**	354344
II.	**Other Operating Revenue**	**22**		**4675**	5120
III.	**Other Income**	**23**		**59963**	39535
IV.	**Total Revenue**			**446718**	**398999**
V.	**Expenses:**				
	Cost of Services Rendered	**24**		**332844**	225445
	Employees Benefit Expenses	**25**		**41413**	43040
	Other expenses	**26**		**10161**	14626
	Finance costs	**27**		**38730**	6689
	Depreciation and Amortisation on:				
	a) Fixed Assets		**59556**		46138
	b) Intangible Assets		**1316**		372
				60872	46510
	Total expenses			**484020**	**336310**
VI.	Profit (loss) before Prior Period, Exceptional and Extraordinary items and tax (IV - V)			**(37302)**	**62689**
VII.	Income / (Expenses) pertaining to Prior Years (Net)	**28**		**3300**	2975
VIII.	Profit before tax (VI + VII)			**(34002)**	**65664**
IX.	Tax expense:				
	Current tax			**8819**	8929
X.	Profit / (Loss) for the period (VIII - IX)			**(42821)**	**56735**
XI.	Earning per equity share of Face Value of ₹ 10 each:				
	Basic & Diluted			**-9.19**	**13.01**

See accompanying Significant Accounting Policies & Note No. 1 to 39 to the financial statements

As per our report of even date attached hereto.

For P.S.D. & ASSOCIATES,
Chartered Accountants
FR. No. 004501C

MANISH AGARWAL
Partner
Membership No.406996

For SARDA & PAREEK
Chartered Accountants
FR. No. 109262W

GAURAV SARDA
Partner
Membership No. 110208

Mumbai,
Dated the 29th May, 2012.

For and on behalf of the Board of Directors,

DIPANKAR HALDAR
ED (LA) &
Company Secretary

B.K MANDAL
Director
(Finance)

S. HAJARA
Chairman &
Managing
Director

Mumbai,
Dated the 29th May, 2012.

NOTE 1 : SHARE CAPITAL

	Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
A.	**Authorised:**		
	1,00,00,00,000 Equity Shares of ₹ 10 each	**100000**	100000
B.	**Issued Subscribed and Paid Up:**		
	46,57,99,010 Equity Shares of ₹ 10 each fully paid up	**46580**	46580
	TOTAL	**46580**	**46580**
	During the last five years immediately preceding the balance sheet date, the company has issued, 141151215 shares as bonus shares in the year 2008-09 by capitalisation of General Reserve.		
C.	**Reconciliation of No. of Shares (Opening and Closing)**		
	Opening Balance	**465799010**	423453645
	Add : Bonus Shares Issued During the Year	**0**	0
	Add : Shares Issued on Follow on Public Offer	**0**	42345365
	Closing Balance	**465799010**	465799010

D. Details of shareholders holdings more than 5% shares

S.No.	Name of Shareholder	Number of shares held	Percentage of Holding
1	President of India	296939920	63.75
2	Life Insurance Corporation of India	65801520	14.13

Rights / Preference / Restriction attached to Equity Shares

The Company has only one class of Equity shares having par value of ₹ 10. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential allotment in proportion to their shareholding.

NOTE 2 : RESERVES & SURPLUS

	Particulars	Note No.		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
1)	**Capital Reserve:**				
	As per last Account		**14298**		12539
	Add : Transfer from Appropriation		**0**		1759
				14298	14298
2)	**Securities Premium Account:**				
	As per last Account		**52366**		54010
	Less : Share Issue Expenses		**189**		1644
				52177	52366
3)	**General Reserve:**				
	As per last Account		**282482**		276782
	Add : Transfer from Appropriation		**0**		5700
	Add : Transferred from Special Reserve Utilised		**121500**		0
				403982	282482
4)	**Special Reserve under section 33AC of Income Tax Act, 1961 (utilised)**	A			
	As per last Account		**121500**		121500
	Less : Transfer to General Reserve		**121500**		0
				0	121500

NOTE 2 : RESERVES & SURPLUS (CONTD.)

	Particulars	Note No.		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
5)	**Tonnage Tax Reserve**	B			
	As per last Account		39400		28000
	Add : Transfer from Appropriation		0		11400
	Less : Transferred to Utilised Account		39400		0
				0	39400
6)	**Tonnage Tax Reserve (Utilised)**	C			
	As per last Account		99500		99500
	Add : Transfer from Tonnage Tax reserve		39400		0
				138900	99500
7)	**Corporate Social Responsibility Reserve**	D			
	As per last Account		1423		1686
	Add : Transferred from Appropriation		0		0
	Less : Transfer to Allocated Corporate Social Responsibility Reserve		344		0
	Less : Expenses incurred		136		263
				943	1423
8)	**Allocated Corporate Social Responsibility Reserve**	E			
	As per last Account		95		133
	Add : Transferred from Corporate Social Responsibility Reserve		344		0
	Less : Expenses incurred		143		38
				296	95
9)	**Staff Welfare Fund**	F			
	As per last Account		125		118
	Add : Transferred from Appropriation		50		100
	Add : Interest Earned		12		9
	Less : Expenses incurred		102		102
				85	125
10)	**Balance of Profit and Loss**				
	Balance Brought Forward from Last Year's Account		59042		51662
	Add : Profit/(Loss) for the Year		(42821)		56735
	Less : APPROPRIATIONS:				
	Interim Dividend		0		13974
	Final Dividend (Proposed)		0		13534
	Corporate Dividend Tax on				
	Interim Dividend		0		2321
	Final Dividend (Proposed)		0		0
	Capital Reserve		0		1759
	General Reserve		0		5700
	Tonnage Tax Reserve Reserve		0		11400
	Corporate Social Responsibility Reserve		0		567
	Staff Welfare Fund		50		100
	Balance carried forward to next year's account			16171	59042
	TOTAL			**626852**	**670231**

NOTE 2 : RESERVES & SURPLUS (CONTD.)

Notes:

A. Special Reserve under section 33AC of Income Tax Act, 1961 (Utilised):

Special reserve [Statutory Reserve, as per requirement of section 33AC of the Income tax Act, 1961] which has been utilised but awaiting transfer to General Reserve.

B. Tonnage Tax Reserve (Utilised)

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

C. 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.

D. Corporate Social Responsibility Reserve

Reserve created as per the Corporate Social Responsibilty policy of the company. It is created for contribution to betterment of society and environment.

E. Allocated Corporate Social Responsibility Reserve

Of the Corporate Social Responsibilty reserve, this amount has been allocated to specific schemes for the welfare of the society

F. Staff Welfare Fund

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

NOTE 3 : LONG-TERM BORROWINGS

Particulars		AS AT 31ST MARCH, 2012		AS AT 31ST MARCH, 2011	
		Non-Current ₹ In lakhs	Current* ₹ In lakhs	Non-Current ₹ In lakhs	Current* ₹ In lakhs
Secured Loans					
Indian Banks	A	**35778**	**2840**	10618	10731
Foreign Banks (In Foreign Currency)	B	**516800**	**76875**	395012	55152
TOTAL	C	**552578**	**79715**	**405630**	**65883**

A) Secured by Fleet having Net block of ₹ 28974 lacs (Prev. Yr. ₹ 65327 lacs)
Pending creation of security for loan of ₹ 28000 lacs (Prev. Yr. Nil)

B) Secured by Fleet having Net block of ₹ 787552 lacs (Prev. Yr. ₹ 626171 lacs)
Secured by Vessel under construction ₹ 35863 lacs (Prev. Yr. ₹ 49291 lacs)
Pending creation of security for loan of ₹ 10893 lacs (Prev. Yr. Nil)

C) Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	74519	77322	76412	324325

* Represents current maturities of Long term Borrowings included in "other current liabilities"

NOTE 4 : OTHER LONG TERM LIABILITIES

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
1) **Trade Payables**		
- other than Micro Enterprises and Small Enterprises	**970**	1437
2) **Security Deposits**	**32**	0
TOTAL	**1002**	**1437**

NOTE 5 : LONG TERM PROVISIONS

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Provision for Employee Benefits	**7744**	7815
TOTAL	**7744**	**7815**

NOTE 6 : TRADE PAYABLES

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Trade Payables		
i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	**94**	917
ii) Total Dues of creditors other than Micro Enterprises and Small Enterprises	**60282**	62657
TOTAL	**60376**	**63574**
The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006, (MSMED Act). The disclosure pursuant to the said Act is as under:		
Principal amount due to suppliers under MSMED Act, 2006 at the end of the period	**94**	917
Interest accrued and due to suppliers under MSMED Act, on the above amount	**NIL**	NIL
Payment made to suppliers (other than interest) beyond the appointed day, during the period	**NIL**	NIL
Interest paid to suppliers under MSMED Act, (Other than Section 16)	**NIL**	NIL
Interest paid to suppliers under MSMED Act, (Section 16)	**NIL**	NIL
Interest due and payable to suppliers under MSMED Act, for payments already made	**NIL**	NIL
Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act.	**NIL**	NIL

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 available with the Company.

NOTE 7 : OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Current maturities of long-term debt	**79715**	65883
Interest accrued but not due on borrowings	**2932**	2031
Unfinished Voyages	**6476**	1184
Investor Education & Protection Fund to be credited on the due dates:		
- Unpaid Dividend	**69**	75
Advances and Deposits	**884**	934
Security Deposits	**716**	665
Other Liabilities	**10546**	17071
TOTAL	**101338**	**87843**

NOTE 8 : SHORT TERM PROVISIONS

Particulars	Note No.	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Provision for Employee Benefits		**757**	600
Provision for Foreign Taxation		**2301**	1414
Proposed Dividend		**0**	11645
Corporate Dividend Tax		**0**	1889
Provision for insurance, cargo & offhire claims		**3563**	3348
Provision for losses on unfinished voyage	**A**	**59**	0
TOTAL		**6680**	**18896**

A. Represents estimated loss on unfinished voyage recognised in accounts.

NOTE 9 : TANGIBLE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31-03-2011	Additions	Deductions/ Adjustments	Cost as at 31-03-2012	Upto 31-03-2011	Provided during the period	Deductions/ Adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
Fleet	1,164,524	215,369	65,887	**1,314,006**	436,327	58,897	65,549	**429,675**	**884,331**	728,197
Ownership Containers	4,827	-	322	**4,505**	4,172	88	281	**3,979**	**526**	655
Freehold Land	271	-	-	**271**	-	-	-	**-**	**271**	271
Buildings	1,313	-	-	**1,313**	795	25	-	**820**	**493**	518
Ownership Flats and Residential Buildings	318	-	-	**318**	241	4	-	**245**	**73**	77
Furniture, Fittings & Equipments etc.	6,598	89	74	**6,613**	4,706	524	68	**5,162**	**1,451**	1,892
Motor Vehicles	103	-	11	**92**	83	5	11	**77**	**15**	20
Total	1,177,954	215,458	66,294	**1,327,118**	446,324	59,543	65,909	**439,958**	**887,160**	731,630
Previous Year's Total	888,260	327,674	37,980	1,177,954	438,104	46,154	37,934	446,324	731,630	

Notes :

1) Additions to Fleet include ₹ 34867 lakhs (Prev. yr. ₹ (-) 7053 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy No. 8 (d)

2) Borrowing cost and Interest capitalised during the period is ₹ 4060 lakhs (Prev. year ₹ 1562 lakhs).

3) Buildings include cost of Shipping House at Bombay ₹ 134 lakhs (Prev. yr. ₹ 134 lakhs) which is on leasehold land where in the value of lease is considered at ₹ Nil.

4) 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).

5) During the year, the Company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 - "Impairment of Assets". In the opinion of management no provision for impairment is considered necessary.

6) Depreciation during the year includes prior period depreciation of ₹ (-) 13 lakhs (Prev. yr. ₹ Nil)

NOTE 10 : INTANGIBLE ASSETS

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 31-03-2011	Additions	Deductions/ Adjustments	Cost as at 31-03-2012	Upto 31-03-2011	Provided during the period	Deductions/ Adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
Computer Software	6,174	142	-	**6,316**	885	1,316	-	**2,201**	**4,115**	5,289
Total	6,174	142	-	**6,316**	885		-	**2,201**	**4,115**	5,289
Previous Year's Total	1,062	5,112	-	6,174	537	348	-	885	5,289	

NOTE 11 : CAPITAL WORK IN PROGRESS

Particulars		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
1) Construction Work in Progress - Fixed Assets			
Assets under Construction excluding advance	**31173**		31080
Less : Provision for Capital Losses / impairment	**0**		0
		31173	31080
2) Construction Period Expenses pending allocation:			
a. Interest	**2595**		2189
b. Other directly attributable expenses	**250**		670
c. Exchange fluctuation	**2181**		(1034)
		5026	1825
TOTAL		**36199**	**32905**

NOTE 12 : NON - CURRENT INVESTMENTS

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Trade Investments		
A. Investments in Equity Instruments		
Quoted		
Other non-current investments		
3438 Equity Shares of ₹ 20/- each of Scindia Steam Navigation Company Ltd., Fully paid (₹ 0.30 lakhs; Prev. yr. ₹ 0.30 lakhs)	**0**	0
Less : Loss on Marked to Market (₹ Nil, Prev. yr. ₹ Nil)	**0**	0
Market Value ₹ 0.30 lakhs (Prev. yr. ₹ 0.41 lakhs).	**0**	0
Unquoted		
In Joint Venture		
343,00,000 (Prev. Yr. 245,00,000) Registered Shares of Rials 5,000 each of Irano Hind Shipping Co. Ltd., Tehran, Fully paid (including 244,93,385 Bonus Shares)*	**39**	39
295,029 (Prev. yr. 295,029) shares of 1 USD each fully paid of ISI Maritime Ltd. (Shares are received as a gift from Irano-Hind Shipping Co. Ltd.)	**0**	0
16 shares (Prev. yr. 16) of 1 USD each fully paid up pf BIIS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)**	**0**	0
500 (Prev. yr. 500) shares of ₹ 10 each fully paid up of Jaladhi Shipping Services Pvt. Ltd. (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)	**0**	0
2908 (Prev. yr 2908) Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 1) Ltd.***	**3**	3

NOTE 12 : NON - CURRENT INVESTMENTS (CONTD.)

Particulars		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
2908 (Prev. yr. 2908) Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 2) Ltd.***	**3**		3
2600 (Prev. yr.) Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.***	**1**		1
8,00,00,000 (Prev. yr. 8,00,00,000 ordinary Shares of ₹ 10 each fully paid up of SCI Forbes Ltd.	**8000**		8000
1,00,000 (Prev. yr. 1,00,000) Shares of ₹ 10 each of SAIL SCI Shipping Company Ltd.	**10**		10
Others			
5,00,00,000 (Prev. yr. 5,00,00,000) ordinary Shares of ₹ 10 each fully paid of Sethusamudram Corp. Ltd.	**5000**		5000
		13056	13056
B. Investments in preference shares;			
Unquoted			
In Joint Venture			
6,18,00,000 (Prev. yr. 6,18,00,000) 0% Redeemable Preference Shares of ₹ 10 each fully paid up of SCI Forbes Ltd.		**6180**	6180
TOTAL		**19236**	**19236**
Total unquoted		**19236**	
Total dimunition on unquoted		**0**	

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

** Shares have been pledged to banks against loans given by them

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

A. The Company holds 49% interest in a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). The exposure of the Company in the Joint Venture is limited to ₹ 39 lakhs towards investment made and ₹ 28 lakhs towards the recoverable expenses. No provision is considered necessary by the management on the same and the company maintans status quo as far as investment in JV is concerned.

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 ₹ 17000 lakhs. The Company has subscribed equity capital of 500000 shares of ₹ 10 each amounting to ₹ 50 lakhs and during the period SCI has made initial payment of ₹ 10 lakhs towards equity capital. Pending remittance towards the balance subscribed capital and the same has not been considered as investment and the consequent liability.

C. 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 for an investment not exceeding ₹ 5000 lakhs (previous year ₹ 5000 lakhs). The dredging work is temporarily suspended from 17.09.2009 consequent to the direction of the Hon'ble Supreme Court of India. The Management does not consider any dimunition in the value of the investment and the same has been carried at cost.

D. SCI Forbes Ltd. is a joint venture between SCI, Forbes & Co. & Sterling Investment Pvt. Ltd. The company has a positive networth as on 31st March, 2012. The Management does not consider any permanent dimunition in the value of the investment in SCI Forbes Ltd. and the same has been carried at cost.

NOTE 13 : LONG TERM LOANS & ADVANCES

Particulars		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
1) Advance for Capital Expenditure			
Unsecured, Considered Good		**147128**	146131
2) Loans & Advances to Related Parties			
Unsecured, Considered Good	**A**	**22489**	22061
3) Other Loans and Advances			
Secured, Considered Good		**884**	403
TOTAL		**170501**	**168595**
A. Includes due from Directors - ₹ Nil			

NOTE 14 : OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Accrued interest on loans to employees	**500**	508
TOTAL	**500**	**508**
Includes due from Directors - ₹ 0.60 lakhs		

NOTE 15 : CURRENT INVESTMENTS

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Investments in Mutual Funds		
Units of Canara Robeco Treasury Advantage Fund - Dalily Dividend Plan - Reinvestment (Valued at Net Asset Value)	**8231**	10031
TOTAL INVESTMENTS	**8231**	**10031**

NOTE 16 : INVENTORIES

Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Fuel Oil	**17621**	14267
Stores, Spares etc.	**163**	885
	17784	15152
Less : Adjustment made towards consumption	**39**	502
TOTAL	**17745**	**14650**

NOTE 17 : TRADE RECEIVABLES

Particulars		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
1) Over Six Months :			
i) Unsecured, Considered Good	**5467**		11838
ii) Unsecured, Considered Doubtful	**7576**		5300
		13043	17138
2) Other Debts :			
i) Unsecured, Considered Good	**73126**		26235
ii) Unsecured, Considered Doubtful	**0**		0
		73126	
Total		**86169**	**43373**
Less : Provision for Doubtful Debts		**7576**	5300
TOTAL		**78593**	**38073**

NOTE 18 : CASH & BANK BALANCES

Particulars		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
A. CASH AND CASH EQUIVALENT			
1) Bank Balances			
Current Account	**8649**		11375
Fixed Deposit Account	**30114**		9353
Inter Bank transfer	**0**		9
Cheque in hand	**0**		113
		38763	20850
2) Deposit with Public Financial Institution		**0**	31000
3) Cash Balances, Including Imprest		**15**	13
4) Earmarked Balance with Bank towards unpaid dividend		**69**	75
B. OTHER BALANCES			
1) Other Fixed Deposit maturing within 12 months		**105257**	194600
2) Staff Welfare fund Balances			
In Saving Bank Account	**7**		10
In deposit Account	**130**		124
		137	134
TOTAL		**144241**	**246672**

NOTE 19 : SHORT TERM LOANS & ADVANCES

Particulars		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
1) Advance recoverable in cash or in kind or for value to be received :			
a. From Related Parties*			
Unsecured, Considered Good		**37**	0
b. From Employees			
i) Secured, Considered Good	**321**		752
ii) Unsecured, Considered Good	**2949**		1101
		3270	1853
c. From Other			
i) Unsecured, Considered Good	**5322**		1777
ii) Unsecured, Considered Doubtful	**1320**		1081
	6642		2858
Less : Provision for Doubtful Advances	**1320**		1081
		5322	1777
2) Balance with Customs, Port Trust and Excise Authorities:			
Unsecured, Considered Good		**404**	219
3) Other recoverable / adjustable			
Unsecured, Considered Good			
a) CENVAT Credit on Service Tax / VAT etc	**2731**		2076
b) Prepaid Expenses	**969**		905
c) Other	**5365**		5644
		9065	8625
4) Advance Tax (net)		**811**	217
5) Sundry Deposits			
Unsecured, Considered Good		**129**	757
TOTAL		**19038**	**13448**

* Includes due from Directors - ₹ 0.04 lakhs

NOTE 20 : OTHER CURRENT ASSETS

Particulars		As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
Interest Accrued on Investments / Bank Deposits		**2013**	6323
Interest Accrued on Loans to employees	**A**	**57**	25
Unfinished Voyages Expenses		**12573**	7128
Course Fee Receivable		**9**	68
Claim Recoverable		**2912**	3586
Bunker Cost recoverable		**27**	3838
TOTAL		**17591**	**20968**

A. Includes due from Directors - ₹ 0.50 lakhs

NOTE 21 : REVENUE FROM OPERATIONS

Particulars		Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
Freight		**293505**	226140
Charter Hire		**71272**	110977
Demurrage		**10356**	10712
Revenue from Managed Vessels			
Remuneration	**3829**		2739
Reimbursment of Overheads	**3118**		3776
		6947	6515
TOTAL		**382080**	**354344**

NOTE 22 : OTHER OPERATING REVENUES

Training & Consultancy fee		**545**	610
Profit on sale of bunker		**811**	161
Sundry Receipts (Core)		**235**	434
Sundry Receipts (Incidental)		**62**	506
Excess Provisions & Unclaimed credit Written Back		**1908**	2756
Recovery of Insurance & PI Claims		**1114**	653
TOTAL		**4675**	**5120**

NOTE 23 : OTHER INCOME

1) Profit on Sale of Fixed Assets			
a) Sale of Ships (Net of Expenses)	**27518**		20098
b) Sale of Other Fixed Assets	**28**		5
		27546	20103
2) Interest on :			
a) Fixed Deposits with Banks / Institution	**15986**		17622
b) From Related Parties - Joint Venture	**1631**		1492
c) Loans to Employees	**93**		21
d) Others	**634**		5
		18344	19140

NOTE 23 : OTHER INCOME (CONTD.)

Particulars	Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
3) Dividend :		
From Companies / Mutual Fund	**592**	288
4) Misc. Recovery from Employees	**27**	(18)
5) Other Misc. Income	**10**	22
6) Net gain on Foreign Currency Transaction / Translation	**13444**	0
TOTAL	**59963**	**39535**

NOTE 24 : COST OF SERVICES RENDERED

Particulars	Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
Direct Operating Expenses :		
Agency Fees	**2655**	1575
Brokerage	**3203**	1092
Commission	**4938**	5766
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net)	**32060**	22167
Marine, Light And Canal Dues	**42517**	28878
Fuel Oil (Net)	**156034**	81705
Water Charges	**336**	271
Hire Of Chartered Steamers	**40207**	34006
Other Indirect Operating Expenses		
Victualling, Transfer And Repatriation And Other Benefits Etc.	**6188**	5668
Stores & Spares	**18523**	20077
Sundry Steamer Expenses	**2556**	2147
Repairs And Maintenance, Survey Expenses Etc.	**14356**	13980
Insurance And Protection, Indemnity Club Fees & Insurance Franchise Etc.	**9271**	8113
TOTAL	**332844**	**225445**

NOTE 25 : EMPLOYEES BENEFIT EXPENSES

Particulars	Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
A. Floating staff		
Wages, Bonus And Other Expenses On Floating Staff	**28665**	29044
Gratuity	**337**	(327)
Contribution To Provident Fund	**416**	248
B. Shore Staff		
Salaries, Wages, Bonus etc	**10155**	13502
Contribution to Provident & Other Funds	**1489**	538
Gratuity	**62**	(199)
C. Remuneration to Directors	**289**	234
TOTAL	**41413**	**43040**

NOTE 26 : OTHER EXPENSES

Particulars	Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
Other Expenses		
Power & Fuel	**431**	491
Rent	**640**	395
Repairs and Maintenance	**1586**	1019
Insurance	**22**	44
Rates and Taxes	**202**	407
Donations & Grants	**0**	1
Auditors' Remuneration*	**83**	75
Establishment Charges	**2528**	1919
Advertisement & Publicity	**356**	288
Legal & professional	**623**	517
Postage, Telephone, Telegram, Telex	**364**	262
Printing & stationery	**127**	128
Training, Seminar & Conference Fee	**22**	15
Travel & Conveyance	**925**	684
Directors' Sitting Fees	**28**	38
Directors' Travel Expenses	**31**	143
Net loss on Foreign Currency Transaction / Translation	**0**	6391
Miscellaneous Expenses	**0**	158
Debts / Advances written off	**11**	36
Provisions		
Provision for Off Hire Etc.	**414**	536
Provision for Doubtful Debts and Advances	**561**	197
Foreign Taxation	**1148**	882
Provision for loss on unfinished voyage	**59**	0
TOTAL	**10161**	**14626**
*Auditors' Remuneration includes :		
Audit Fees (including service tax)	**29**	25
Certification Work	**22**	22
Travelling & Out of Pocket Expenses	**32**	28

NOTE 27 : FINANCE COST

Particulars		Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
1) Interest Payments on :			
Rupee Term Loan from Banks / Financial Institutions / Others	**1198**		1978
Foreign Currency Term Loan from Banks / Financial Institutions / Others	**7746**		4163
Interest Expenses - Other	**29**		0
		8973	6141
2) Other Borrowing Cost		**84**	253
3) Net Loss on Foreign Currency Transactions and Translation regarded as interest cost		**29673**	295
TOTAL		**38730**	**6689**

NOTE 28 : INCOME / EXPENSES RELATING TO PREVIOUS YEARS

Particulars	Year ended 31.03.2012 (₹ in lakhs)	Year ended 31.03.2011 (₹ in lakhs)
INCOME :		
Currency Exchange Difference	**4049**	0
Bunker Recovery	**523**	0
Charter Hire	**(101)**	205
Course Fees	**181**	0
Freight	**(1402)**	211
Port Claims & Bunker	**(373)**	0
Demurrage	**(282)**	(11)
Recovery of Container related cost	**(71)**	(173)
Remuneration from managed vessels	**0**	33
Depreciation	**13**	0
Others (incl dividend)	**235**	3
Total Income	**2772**	**268**
EXPENDITURE :		
Stevedoring charges	**652**	(721)
Brokerage & commission	**25**	10
Agency fees	**114**	22
Fuel oil	**0**	28
Wages, bonus & other exp on floating staff	**109**	142
Charter hire payments	**0**	53
Sundry steamer charges	**12**	(177)
Currency Exchange Difference	**(1452)**	(1422)
Bank Guarantee Fees	**(66)**	0
Stores, Repairs and Maintenance	**140**	(27)
Marine, light & canal dues	**402**	6
Interest on Loan	**49**	0
Insurance & P&I	**84**	148
Demurrage	**25**	0
Service Tax	**(613)**	(764)
Depreciation	**0**	(8)
Others	**(9)**	3
Total Expenses	**(528)**	**(2707)**
NET INCOME / (EXPENDITURE)	**3300**	**2975**

NOTE 29 : CONTINGENT LIABILITIES & COMMITMENTS

	Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
	Contingent Liabilities		
i.	Claim against the company not acknowledged as debts -		
A.	Claim made by M/s. Chokhani International Ltd. towards dry dock expenses pending before High Court, Chennai	**4225**	4006
B.	Forfeiture of Earnest Money Deposit, Cargo Loss, Freight, Demurrage, Slot Payments, Fuel Cost, other operational claims and Custom duty disputed demand. (As certified by the Management)	**8204**	9217

NOTE 29 : CONTINGENT LIABILITIES & COMMITMENTS (CONTD.)

	Particulars	As at 31.03.2012 (₹ in lakhs)	As at 31.03.2011 (₹ in lakhs)
C.	Disputed demand of Statutory Dues (As certified by the Management)	**12392**	9175
	a) Income Tax	**5874**	9175
	b) Service Tax*	**6518**	Nil
ii.	Guarantees given by the Banks		
A.	On behalf of the Company	**3436**	1892
B.	On behalf of the Joint Venture to the extent of the Company's share.	**3661**	3200
iii.	Undertaking cum Indemnity given by Company	**1000**	1000
iv.	Cargo Claims covered by P&I Club	**66**	20
v.	Bonds / Undertakings given by the Company to Customs Authorities.	**8686**	10140
vi.	Corporate Guarantees / Undertakings		
A.	In respect of Joint Ventures	**Not Ascertainable**	Not Ascertainable
B.	Others	**5617**	5023
	COMMITMENTS :		
i.	Estimated amount of contracts on capital account, remaining to be executed and hence not provided for (Net of Advance paid) (As certified by the Management)	**410101**	455490
ii.	Commitment towards subscription of shares	**40**	40

*Service tax department issued show cause notices to the Company proposing to impose levy of service tax under the category of "Storage and Warehousing Service" aggregating to (a) ₹ 2679 lakhs (Prev. Yr. ₹ 2679 lakhs) for the period from 01/10/2002 to 31/12/2007 (b) ₹ 754 lakhs (Prev. Yr. ₹ 754 lakhs) for the period from 01/01/2008 to 31/01/2009 and (c) ₹ 405 lakhs (Prev. Yr. ₹ 405 lakhs) for the period from 01/02/2009 to 30/09/2009 (d) ₹ 274 lakhs (Prev. Yr. Nil) for the period from 01/10/2009 to 31/03/2010 (e) ₹ 660 lakhs (Prev. Yr. Nil) for the FY 2010-11 and also interest and penalty alleging that Company has provided storage & warehousing services to Oil & Natural Gas Corporation (ONGC) in respect of vessels given to ONGC under Time Charter arrangement.

Though order dated 13.02.2012 has recently been passed with reference to show cause notice for the period from 01/10/2002 to 31/12/2007 partly confirming the levy of Service Tax, according to the management, service tax is not leviable for such chartering arrangement under the category of "Storage and warehousing Service" and therefore SCI has challenged the applicability of service tax under this category and has not accepted any liability towards service tax on this account.

NOTE 30 : RELATED PARTY DISCLOSURES

Related Party disclosures, as required by AS - 18 "Related Party Disclosures" are given below :

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

Joint Venture Companies :

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

NOTE 30 : RELATED PARTY DISCLOSURES (CONTD.)

Key Management Personnel :

FUNCTIONAL DIRECTORS

1) Shri S. Hajara, CMD
2) Shri B. K. Mandal
3) Shri Kailash Gupta
4) Shri J. N. Das
5) Shri A. K. Gupta
6) Shri S. Thapar

The following transactions were carried out with related parties :

i. Joint Venture Companies	For the Year ended 31.03.2012 (₹ in lakhs)	For the Year ended 31.03.2011 (₹ in lakhs)
1) Investments made during the period	**NIL**	2570
2) Dividends Received*	**214**	NIL
3) Interest Income*	**1634**	1492
4) Expenses Reimbursed by JVs	**220**	68
5) Loans / Advances given / adj. during the period	**NIL**	1116
6) Loans / Advances realised / adj. during the period	**1612**	NIL
7) Charter Hire expenditure**	**1003**	4332
8) Management and Accounting Fees earned	**588**	412
9) Manning Agent Fees earned	**29**	15
10) Guarantee Fees Received*	**65**	NIL
11) Receivables at the end of the period	**24166**	22061

*Includes Prior Period Transactions.

**Due to conditions in the loan agreement entered on 22.08.2008 that stand by charter hire of the ships is to be done by the promoters as and when market rates are lower than the stipulated rates in the loan agreement, two ships each were taken on charter by the promoters SCI and Forbes & Co. for the period till 30.06.2011. The ships were chartered by the company and the joint venture partners at the same rates. The above stand by charter hire arrangement has been suspended w.e.f 01.07.2011.

ii. Key Management Personnel	For the Year ended 31.03.2012 (₹ in lakhs)	For the Year ended 31.03.2011 (₹ in lakhs)
1) Remuneration	**289**	235
2) Loans recovered during the period	**1**	2
3) Loan amounts due as at the end of the period	**1**	2
4) Maximum amount due during the period	**2**	4

NOTE 31 : JOINT VENTURE INFORMATION

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

I) Details of Joint Venture Interest

Sr. No.	Name	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.0 3.12 (As on 31.03.11)	Other Venturers Share 31.03.12 (As on 31.03.11)
1)	Irano Hind Shipping Company Ltd.	Equity	Iran	49% (49%)	*IRISL 51.00% (51.00%)
2)	India LNG Transport Company (No. 1) Ltd.	Equity	Malta	29.08% (29.08%)	*MOL 29.08% (29.08%)- *NYK Lines 17.89% (17.89%), *K Line 8.95% (8.95%), *Qship 15.00% (15.00%)
3)	India LNG Transport Company (No. 2) Ltd.	Equity	Malta	29.08% (29.08%)	*MOL 29.08% (29.08%)- *NYK Lines 17.89% (17.89%), *K Line 8.95% (8.95%), *Qship 15.00% (15.00%)
4)	India LNG Transport Company (No. 3) Ltd.	Equity	Malta	26% (26.00%)	*MOL 26.00% (26.00%)- *NYK Lines 16.67% (16.67%), *K Line 8.33% (8.33%), *Qship 20.00% (20.00%), *PLL 3.00% (3.00%)
5)	SCI Forbes Ltd.	Equity	India	50% (50.00%)	*Forbes 25.00% (25.00%), *SICPL 25.00% (25.00%)
6)	SAIL SCI Shipping Pvt. Ltd.	Equity	India	50% (50.00%)	*SAIL 50.00% (50.00%)

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

II. Company's Interest in the Joint Venture

Sr. No.	Name	As on	Assets (₹ in lakhs)	Liabilities (₹ in lakhs)	For the period ended	Income (₹ in lakhs)	Expenditure (₹ in lakhs)
1)	Irano Hind Shipping Company Ltd.	20-03-2010	58557	25391	20-03-2010	9218	10773
2)	India LNG Transport Company (No. 1) Ltd.	31-12-2011	24664	27143	31-12-2011	4071	3273
3)	India LNG Transport Company (No. 2) Ltd.	31-12-2011	25717	28137	31-12-2011	4418	3207
4)	India LNG Transport Company (No. 3) Ltd.	31-12-2011	33838	39288	31-12-2011	3586	5266
5)	SCI Forbes Ltd. (Unaudited)	31-03-2012	24527	11243	31-03-2012	3169	4676
6)	SAIL SCI Shipping Pvt. Ltd.	31-03-2011	10	2	31-03-2011	0	2

NOTE 32 : EARNINGS PER SHARE

Sr. No.	Particulars	For the Year ended 31.03.2012 (₹ in lakhs)	For the Year ended 31.03.2011 (₹ in lakhs)
A.	Profit / (-) Loss after tax (₹ in lakhs)	**(-)42821**	56735
B.	Weighted average number of Equity Shares (Nos)	**465799010**	435983232
C.	Basic & Diluted Earnings per Share (in ₹)	**(-)9.19**	13.01
D.	Nominal Value per Equity Share (in ₹)	**10.00**	10.00

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

NOTE 33 : SEGMENT REPORTING

Sr.	Particulars	For the Year ended 31.03.2012 (₹ in lakhs)	For the Year ended 31.03.2011 (₹ in lakhs)
1)	***Segment Revenue***		
	i) Liner Segment	**117441**	114129
	ii) Bulk Segment	**290072**	248383
	iii) Others	**23255**	19605
	iv) Unallocated Revenue	**907**	720
	Total	**431674**	**382836**
2)	***Segment Results***		
	Profit / (Loss) before tax & interest		
	i) Liner Segment	**(31166)**	6246
	ii) Bulk Segment	**6789**	39800
	iii) Others	**10035**	12004
	Total	**(14342)**	**58050**
	Less : Unallocated Expenditure (Net of income)	**(726)**	5089
	Add : Interest (Net)	**(20386)**	12704
	Total Profit before tax	**(34002)**	65665
3)	**Segment Assets**		
	Liner Segment	**127091**	102147
	Bulk Segment	**837061**	691498
	Others	**89317**	27079
	Total	**1053469**	820724
	Unallocable Corporate Assets	**349720**	478996
	Total	**1403189**	**1299720**
4)	**Segment Liabilities**		
	Liner Segment	**44756**	34123
	Bulk Segment	**46783**	46326
	Others	**28383**	10168
	Total	**119922**	**90617**
	Unallocable Corporate Liabilities	**609836**	465222
	Total	**729758**	**555839**

NOTE 33 : SEGMENT REPORTING (CONTD.)

Sr.	Particulars	For the Year ended 31.03.2012 (₹ in lakhs)	For the Year ended 31.03.2011 (₹ in lakhs)
5)	**Capital Expenditure during the period**		
	Liner Segment	**2075**	(359)
	Bulk Segment	**179124**	327302
	Others	**34191**	14
	Unallocated	**210**	5830
	Total	**215600**	332787
	Depreciation		
	Liner Segment	**5990**	5779
	Bulk Segment	**54071**	40647
	Others	**811**	76
	Total	**60872**	**46502**

Notes:-

1) **Segment definitions** - Liner segment includes break bulk and container transport. Bulk segment includes tankers (both crude and product), dry bulk carriers, gas carriers and phosphoric acid carriers. Others include offshore vessels, passenger vessels and services and ships managed on behalf of other organisations. Unallocable items and interest income / expenses are disclosed separately.

2) All assets / liabilities and revenue items are allocated vessel wise wherever possible. Assets / liabilities and revenue items that cannot be allocated vessel wise are allocated on the basis of unit cum GRT method i.e. 50% allocated on the basis of units and balance 50% on the basis of adjusted GRT. GRT is adjusted to one third of GRT or 20000 GRT, whichever is more in case of vessels which are bigger than 20000 GRT.

3) The components of capital employed that cannot be directly identified are allocated on the basis of GRT method.

NOTE 34 : DISCLOSURES OF EMPLOYEE BENEFITS AS PER ACCOUNTING STANDARD-15 "EMPLOYEES BENEFITS", AS DEFINED THERE IN ARE GIVEN BELOW

A. Description of type of employee benefits

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

The details under the plan are as follows :

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

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

(₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
As at	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Status	**Funded**	**Funded**	**Unfunded**	**Unfunded**	**Unfunded**	**Unfunded**
At the beginning of the period	11780	12828	5307	5711	3108	2826
Current service cost	1400	1538	829	849	214	220
Interest Cost	954	989	402	421	272	232
Actuarial (gains) and losses (including for prior years)	(1048)	(1941)	(326)	(1064)	88	30
Curtailment Period	-	-	(189)	-	-	-
Benefits Paid	(1998)	(1634)	(1015)	(610)	(188)	(200)
At the end of the period	11088	11780	5007	5307	3494	3108

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

(₹ In lakh)

Particulars	As At 31.03.2012	As At 31.03.2011
Total Amount of defined benefit obligation	19589	20195
Amount of funded Defined benefit obligation	11088	11780
Percentage of funded defined benefit obligation	56.60	58.33
Percentage of defined benefit obligation not funded	43.40	41.67

D. Movement in Fair Value of plan assets

(₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
For the period ended on	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Opening value of fair value of plan assets	17424	17891	NIL	NIL	NIL	NIL
Expected Return on plan assets	1506	1573	NIL	NIL	NIL	NIL
Benefits Paid	(1998)	(1635)	NIL	NIL	NIL	NIL
Actuarial gain / (loss) on plan assets	(513)	(405)	NIL	NIL	NIL	NIL
Closing value of fair value of plan assets	16419	17424	NIL	NIL	NIL	NIL

E. Reconciliation of the present value of defined obligation and fair value to the assets and liabilities recognized in the balance sheet :

(₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
For the period ended on	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Present value of obligations at the end of the period	11088	11780	5007	5307	3494	3108
Less : fair value of assets as the balance sheet date	16419	17424	NIL	NIL	NIL	NIL
Net Liability / (Asset) disclosed in the balance sheet	(5331)	(5644)	5007	5307	3494	3108

F. Total Expense recognized in the profit and loss account

(₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
For the period ended on	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Current Service Cost	1400	1538	829	849	214	220
Interest Cost	954	989	402	421	272	232
Expected return on plan assets	(1506)	(1573)	Nil	Nil	Nil	Nil
Actuarial (gains) and losses	(1048)	(1941)	(326)	(1064)	88	30
Past Service Cost	Nil	Nil	Nil	Nil	Nil	Nil
Losses (gains) on curtailments and settlements	Nil	Nil	(189)	Nil	Nil	Nil
Benefits Paid*	Nil	Nil	(1015)	(610)	(187)	(200)
Actuarial (gains) / loss on plan assets	513	405	Nil	Nil	Nil	Nil
Charged to profit and loss	313	(582)	(300)	(404)	386	282

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

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

(₹ In lakhs)

Particulars	As at 31.03.2012		As at 31.03.2011	
	Fair Value	% of Total	Fair Value	% of Total
Investment in Government securities	8748	53.28	8082	46.38
Investment in Bonds	2799	17.05	2781	15.96
Investment in deposits including bank balances	4408	26.85	6143	35.25
Other Assets including accrued interest	668	4.07	418	2.40
Total	16419		17424	

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 assets of the trust are in the nature of investments in securities, fixed deposits, Interest accrued, and balances in current accounts with Bank. 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 : ₹ 993 lakhs (Prev. period ₹ 1168 lakhs)

H. Principal actuarial assumptions at the balance sheet date :

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
For the period ended on	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Discount rate at the end of the period	8.81%	8.17%	8.81%	8.17%	8.81%	8.17%
Expected return on plan assets at the end of the period	9.00%	9.00%	NIL	NIL	NIL	NIL
Future salary increases	7.50%	7.50%	7.50%	7.50%	NA	NA
Mortality Rate	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
Medical cost incremental trend rates					16%	16%
Normal Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years

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

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

ii) the accumulated post-employment benefit obligation for medical costs.

(₹ In lakhs)

	Post Retirement Medical Benefit Scheme			
	Aggregate of the current service cost and interest cost		Accumulated post-employment benefit obligation for medical costs	
Particulars	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Effect of one percentage up	13	11	286	258
Effect of one percentage down	(11)	(10)	(262)	(236)

J. The estimates of future salary increases, considered in the actuarial valuation, takes into account inflation, security, promotion and other relevant factors.

K. The Guidance on implementing AS 15, Employee benefits (revised 2005) issued by Accounting Standard Board (ASB) states benefit involving employer established provident funds, which requires interest shortfalls to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Company is unable to exhibit the related information. However, such interest shortfall has been recompensed by the Company up to the current period on accrual basis.

NOTE 35

The Company has implemented three different ERP packages to take care of both shore and the ship-related transactions and they have gone live from 28.02.2011. There were initial teething problems in the implementation. Considerable improvements have taken place over the period of one year in this regard. However, following areas are still going through the process of stabilization.

i. Some of business processes designed by the company could not be followed immediately in the manner the Company desired, as a result of which certain netting of the debit balances (advances) related to the vendors with the trade payables and credit balances related to customers with trade receivables have been made in the accounts pending adjustment of the relevant transactions with the receipt of the physical documents, its verification and authorization. This is not having any impact on the profit and loss account.

ii. Due to non-adjustment of the debits and credit transactions related to the customers and vendors as mentioned above, the effects of the changes in the exchange rates of foreign currency monetary items as accounted in the books may not represent the correct foreign currency gain / loss and effects of the same in the accounts is not fully ascertainable. However, the Management expects that the impact of the same on the results would not be material.

iii. For the transactions in the functional software as uploaded by Agents / SCI Offices (as the Company desired to capture the same on online basis and accordingly access to the Agents have been given) various instances have been observed, such as delay in recording the transactions, delay in recording of the freight income, incorrect recording of the transactions, selection of incorrect segment etc. Wherever such instances have been noticed, corrective actions have been taken while finalizing the financial statements.

The company has taken necessary steps to resolve the issues in the next financial year.

NOTE 36 : CHANGES IN ACCOUNTING POLICIES

The Corporation has with effect from 1st April 2011 changed the following accounting policies :

a. All foreign currency transactions are recorded at the exchange rate of the second last Friday of the preceding month published in Financial Times, London which were earlier recorded at the rate of the last Friday of the preceding month. As a result of this change, there is no material impact on profit for the year.

b. The value of stock of bunker is arrived at after charging consumption on daily "Moving Average Price" method against FIFO (First In First Out) method followed upto 31st March 2011. This has resulted decrease in bunker consumption by ₹ 132 lakhs during the year ended 31st March, 2012.

c. The method of providing depreciation on offshore vessels has been changed. Up to last year, off shore vessels were being written off over a period of 12 years. In view of the fact that as per SCI's scrapping guidelines, the life of offshore vessels is to be taken as 20 years, it has been decided to depreciate these vessels over 20 years w.e.f FY 2011-12. This is in compliance with the rates prescribed in Schedule XIV to the Companies Act, 1956. Due to this change, the depreciation for FY 2011-12 is lower by ₹ 440 lakhs and the profit is higher by ₹ 440 lakhs. Consequently, the book value of fixed assets is higher by ₹ 440 lakhs.

d. Spares

The Company had a policy of making provision for consumption of spares which remain in transit for more than three months. However, with the introduction of SAP this practice is no more required. The financial implication due to change in policy is ₹ 79 lakhs.

NOTE 37

The Company has been exempted from complying with Para 4 (D) (a), (b), (c) & (e) of Part II of Schedule VI of the Companies Act, 1956 vide notification no. F. No 51/12/2007-CL.III dated 08.02.2011 issued by Ministry of Corporate Affairs, Government of India.

NOTE 38

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

NOTE 39

The figures of previous year have been regrouped or rearranged wherever necessary / practicable to conform to current year's presentation based on new Schedule VI notified by the Ministry of Corporate Affairs. Further, the figures are rounded off to the nearest lakh rupees.

SIGNIFICANT ACCOUNTING POLICIES

1. (a) ACCOUNTING CONVENTION

The financial statements are prepared to comply in all material aspects under the Historical Cost convention and in accordance with generally accepted Accounting principles in India and the relevant provisions of the Companies Act, 1956, notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) to the extent applicable and current practices prevailing within the Shipping Industries in India.

(b) USE OF ESTIMATES

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

2. RECOGNITION OF REVENUE AND EXPENDITURE

(a) The Profit & Loss Account reflects,

(i) The Earnings and Direct Operating Expenses (Voyage related variable costs) in respect of all Finished Voyages on accrual basis.

(ii) Standing Charges (Vessel related Fixed Costs) for all the vessels for the entire period of operation during the year on accrual basis.

(iii) Income and Expenditure in respect of the customs penalty claims and container detention charges which are accounted for on realisation.

(iv) In respect of slot sharing agreement with other shipping lines, the earnings and expenses on accrual basis based on completed voyage cycle during the year.

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

(vi) Demurrage income is recognised on estimated basis, based on past experience of settlements.

(b) The criteria followed for the purpose of determining the Finished Voyages are as under :

(i) Passenger cum Cargo Vessels :- Disembarkation of passengers and discharge of cargo should be completed on or before the last date of the financial year.

(ii) Cargo Vessels (other than those serviced by Feeder or Daughter Vessels) :- Discharge of cargo should be completed on or before the last date of the financial year.

(iii) Cargo vessels serviced by Daughter vessels :- The ultimate discharge of cargo by all daughter vessels should be completed on or before the last date of the financial year.

(iv) Cargo vessels serviced by feeder vessels :- The discharge of cargo at the transhipment port by the mainline and own feeder vessels should be completed on or before the last date of financial year. Transhipment port is the point of commencement and completion of both the services. The completion of the mainline and feeder voyage is determined independent of each other.

(v) Cellular Liner Service :- On completion of round voyage

(c) Unfinished Voyages :

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

(d) Allocation of Container Expenses :

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

3. FIXED ASSETS AND DEPRECIATION

a) Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes acquisition cost and directly attributable cost of bringing the assets to its working condition for its intended use.

b) Depreciation on ships is charged on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956. Second hand vessels are written off over their respective useful lives as determined by technical evaluation subject to minimum value as prescribed in Schedule XIV of the Companies Act, 1956.

Additions made to ships which have completed their useful life, involving structural changes and resulting in the extension of the useful life based on the technical evaluation, the depreciation is provided over the extended useful life / remaining useful life subject to minimum rates as prescribed in Schedule XIV to the Companies Act, 1956.

c) Assets other than ships and Intangible assets, depreciation is charged on the "Written Down Value Method" as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

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

e) Assets costing individually ₹ 5,000/- and below are fully depreciated in the year of addition.

f) The carrying amounts of assets are reviewed at each Balance Sheet date for impairment so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognised in previous periods.

4. CAPITALISATION OF EXPENSES

Interest and other expenses, incurred till the date of first loading, on amounts borrowed for acquisition / improvement of assets, is capitalised to the cost of respective assets. In addition, operating costs including initial stores and spares of newly acquired ships till the port of first loading are added to the cost of the respective ship.

5. RETIREMENT AND DISPOSAL OF SHIP

(a) Ships which have been retired from operations for eventual disposal are withdrawn from the fixed assets and exhibited separately at Net block in the Balance Sheet under "Ships Retired From Operation".

Anticipated loss, if any, in the disposal of such ships is recognised immediately and provision for the same is made in the accounts for the year in which these have been retired. For the purpose of determining the loss, the sale price is recognised, if contract for sale is concluded. In other cases, assessment of the realisable value is made on the basis of the prevailing market conditions. Losses on such ships are provided for after taking into account the expenses such as customs duty, sales tax / value added tax, etc. in connection with the disposal, as well as estimated expenses in maintaining the ship, till its sale. Wherever the exact amount under each item of expenses is not known, an assessment is done on the best estimate basis.

(b) Profits on sale of ships are accounted for only upon completion of sale thereof.

6. MAJOR REPAIRS AND RENEWALS OF SHIP

(a) Advances given towards repairs / renewals of capital / revenue nature, are adjusted only on completion of the entire work duly certified by the concerned Authority.

(b) Dry-dock expenditure is recognised in the Profit & Loss account to the extent work is done, based on technical evaluation.

7. VALUATION OF STOCK

(a) Inventories are valued at lower of cost as determined on 'Moving Average Price' method or net realisable value unless otherwise stated.

(b) Fuel oil purchases are initially booked as stock. The value of year-end stock is arrived at after charging consumption on the basis of method as stated above.

(c) As regards provisions purchased for victualling on board the ships, where catering is under departmental catering system, all purchases are treated as consumed.

(d) The Company maintain godowns for keeping certain limited items of stores pending issue to the ships. Store / Spares including paints, etc. are charged to revenue as consumed when delivered to ships. The valuation of items of Store / Spares is done as mentioned 7 (a) above.

8. ACCOUNTING OF FOREIGN CURRENCY TRANSACTIONS

(a) All foreign currency transactions are recorded at the exchange rate of the second last Friday of the preceding month published in Financial Times, London.

(b) Liner freight is booked at rates referred to in (a) above relevant to the months in which the dates of sailing fall.

(c) The foreign currency balances other than in US Dollars appearing in the books of account are translated into US Dollars at the closing exchange rate of the last Friday of March published in the Financial Times, London and 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 end of the period.

(d) Exchange difference arising on repayment of liabilities and conversion of closing foreign currency balances pertaining to long term loans for acquiring ships / ownership containers / other depreciable assets and asset under construction is adjusted in the carrying cost of respective assets other than those regarded as borrowing cost.

(e) The exchange difference in translation arising on other monetary assets and liabilities are recognised in profit and loss account.

9. EMPLOYEE BENEFITS

(a) Defined Contribution Plan - Provident fund contribution are accounted for on accrual basis.

(b) Defined Benefit Plans - In case of shore staff, officers afloat, and crew on Company's roster, the cost of Gratuity, Leave encashment, & post retirement medical benefit is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date.

Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur.

The retirement benefit obligation recognised in the financial statement represents the present value of defined benefit obligation net of past service cost and reduced by the fair value of the plan assets. Any asset resulting from this calculation is limited to the present value in the form of refunds or reduction in the future contribution to the plan.

(c) In case of crew on the general roster, gratuity, which is insignificant in value, is accounted on cash basis.

10. INSURANCE, P&I AND OTHER CLAIMS

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

(i) In respect of claims falling under Hull & Machinery Insurance, which are estimated to be above the deductible limit, to the extent of deductible limit.

(ii) In case of Cargo claims, on the basis of the actual claims registered and / or paid pertaining to the relevant year's voyages as ascertained at the year-end as reduced by the amounts recoverable from the insurers.

(b) All types of claims settled and paid above the deductible limits are shown as recoverable from Hull Underwriters / P&I Clubs until these are finally accepted by them as per the conditions of insurance policy and / or P&I cover. Adjustments, if any of revenue nature are made after statement of claims are received from the Average Adjusters.

(c) Claims made by the Company against other parties including ship repair yards, ship-owners, ship charterers, customs and others, etc. are accounted for on realisation, due to uncertainty in the amounts of their ultimate recovery.

11. INVESTMENTS

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

(b) Current Investments are stated at lower of cost and fair value.

12. TAXES ON INCOME

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

13. LEASES

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

14. PROVISIONS

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

CASH FLOW STATEMENT

		2011-12 (₹ in lakhs)	2010 - 11 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax, extraordinary items & prior period adjustments		**(37302)**	62689
ADJUSTMENTS FOR :			
Depreciation		**60872**	46510
Interest Income		**(18344)**	(19140)
Interest expense		**38730**	6629
Dividend Received		**(592)**	(288)
Surplus on sale of Fixed Assets (other than ships)		**(28)**	(5)
Surplus on Sale of Ships		**(27518)**	(20098)
Provision for doubtful debts & Advances (Net)		**561**	(51)
Debts & Advances written off		**11**	36
Sundry credit balances written back		**0**	(284)
		53692	13309
Operating profit before working capital changes	**(i)**	**16390**	75998
Adjustments for : Increase in working capital			
a) Trade & other receivables		**(48468)**	12497
b) Inventories		**(3095)**	(6831)
c) Trade payables		**(3618)**	(7144)
		(55181)	(1478)
Cash generated from operations	**(ii)**	**(38791)**	74520
Tax paid (Net of Refunds)		**(9413)**	(9066)
Cash flow before prior period adjustments		**(48204)**	65454
Prior period adjustments (Net)		**3287**	2967
Net Cash From Operating Activities	**(A)**	**(44917)**	68421
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase / Acquisition of Fixed Assets (including Assets under construction)		**(218892)**	(326352)
Investment with Public Financial Institutions		**0**	0
Sale of Fixed Assets		**27931**	20149
Income from Investments		**592**	1052
Interest Received		**22630**	16906
Sale / Purchase of Investments		**1800**	(12601)
Advances to Joint Venture Companies		**(428)**	(361)
Net cash used in investing activities	**(B)**	**(166367)**	(301207)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Shares		**0**	4235
Share Premium		**0**	54010
Share issue expenses		**(189)**	(1644)
Loans Borrowed (Net of Repayments)		**160780**	201829
Dividends Paid (Incl. Dividend Tax)		**(13540)**	(40965)
Interest Charges		**(37828)**	(5259)
Staff Welfare Activities (Net)		**(90)**	(93)
Corporate Social Responsibility Activities		**(280)**	(301)
Net cash flow from financing activities	**(C)**	**108853**	211812
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**(A+B+C)**	**(102431)**	(20974)
Cash & Cash Bank Balances at the Begining of the Year		**246672**	267646
Cash & Cash Bank Balances at the end of the Year.		**144241**	246672
Closing Cash & Bank Balances includes :			
Cash & Cash equivalents		**38847**	51938
Other bank balances		**105394**	194734
Cash & Cash Bank Balances at the end of the Year.		**144241**	246672

As per our report of even date attached hereto.

For P.S.D. & ASSOCIATES,
Chartered Accountants
FR. No. 004501C

MANISH AGARWAL
Partner
Membership No.406996

For SARDA & PAREEK
Chartered Accountants
FR. No. 109262W

GAURAV SARDA
Partner
Membership No. 110208

Mumbai,
Dated the 29th May, 2012.

For and on behalf of the Board of Directors,

DIPANKAR HALDAR
ED (LA) &
Company Secretary

B.K MANDAL
Director
(Finance)

S. HAJARA
Chairman &
Managing
Director

Mumbai,
Dated the 29th May, 2012.

Aframax	A Tanker measuring between 80,000-1,20,000 MT in DWT terms and primarily used for the carriage of crude oil
APM	Administered Price Mechanism
BDI	Baltic Dry Index
BH	Bombay High
BHMI	Baltic Handymax Index
Bpd	Barrels per day
CSL	Cochin Shipyard Ltd.
DWT	Dead Weight Ton
DSME	Daewoo Shipbuilding & Marine Engineering Co. Ltd.
FOB	Free on Board
GRT	Gross Registered Tonnage
Handymax	A bulk carrier vessel of 35,000 to 55,000 DWT
Handysize	A bulk carrier vessel of 10,000 to 35,000 DWT
HHI	Hyundai Heavy Industries Ltd.
ISM	International Safety Management
JVC	Joint Venture Company
K-Line	Kawasaki Kisen Kaisha Ltd.
MOL	Mitsui O.S.K. Lines Ltd.
MTI	Maritime Training Institute
NSICT	Nhava Sheva International Container Terminal
NYK	Nippon Yusen Kabushiki Kaisha
ODC	Over Dimensional Cargoes
OECD	Organisation for Economic Co-operation & Development
OPEC	Organisation of Petroleum Exporting Countries
OSV	Offshore Supply Vessels
Panamax	A vessel of 55,000 to 80,000 DWT whose dimensions enable her to pass through the Panama Canal
SCP	Special Component Plan
TMEs	Trainee Marine Engineers
TNOCs	Trainee Navigating Officer Cadets
ULCC	Ultra Large Crude Carrier (320,000 dwt and above)
VLCC	Very Large Crude Carrier (200,000 to 319,000 DWT)
VLOCs	Very Large Ore Carriers
WAG	West Asia Gulf

Explanation

Green Passport :- The Green Passport for ships is a document facilitating the application of these Guidelines providing information with regard to materials known to be potentially hazardous utilised in the construction of the ship, its equipment and systems. This should accompany the ship throughout its operating life. Successive owners of the ship should maintain the accuracy of the Green Passport and incorporate into it all relevant design and equipment changes, with the final owner delivering the document, with the ship, to the recycling facility i.e. environment friendly approach from building to recycling of the vessels.

भारतीय नौवहन निगम लिमिटेड
The Shipping Corporation Of India Ltd.

शिपिंग हाउस, २४५, मैडम कामा रोड, मुंबई - ४०००२१
Shipping House, 245, Madame Cama Road, Mumbai - 400 021.

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A DEPARTMENT OF
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The Shipping Corporation Of India Ltd. भारतीय नौवहन निगम लिमिटेड

PRESSMAN