स्वच्छ भारत
एक कदम स्वच्छता की ओर

ANNUAL REPORT
2018-19

Cruising on the waves of progress.

भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)

कार्गो मंजिल तक पहुँचाए. जीवन को राह दिखाए.

एस सी आई
SCI
Navratna Company
(ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified)

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

TRANSPORTING GOODS. TRANSFORMING LIVES.

Awards and Accolades

Capt. Anoop Kumar Sharma, CMD, SCI bestowed Outstanding Achievement Award.

Capt. Anoop Kumar Sharma, Chairman & Managing Director of The Shipping Corporation of India Ltd (SCI), awarded with The Maritime Standard 'Outstanding Achievement Award' 2018 for his outstanding contribution to Indian shipping and the maritime fraternity at large. He was conferred with the prestigious award at the 'The Maritime Standard Awards 2018' held on 15th October 2018 at Atlantis Ballroom, The Palm, Dubai.

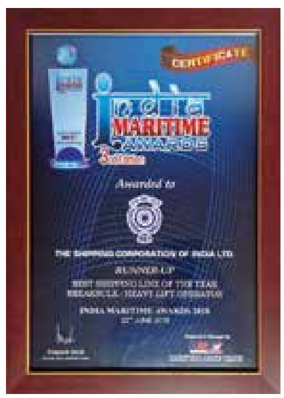
SCI receives AMVER award from US Coast Guard

The Shipping Corporation of India Ltd (SCI) received the AMVER award from United States Coast Guard in recognition of the yeomen service provided by SCI's 43 vessels in respect of the AMVER. The AMVER awards were given away at a duly convened ceremony on 27th August 2018 at the US Consulate in BKC, Mumbai. The Chief Guest for the event was Dr. Malini Shankar, I.A.S, Director General of Shipping. The 'Certificate of Merit' was received by Shri S. V. Kher, Director (B&T) on behalf of SCI in the presence of US Consul General Edgard Kagan.

SCI awarded India Maritime Awards of "Woman Professional in Shipping & Logistics 2018" & Runner-up for "Best Shipping Line of the Year - Break bulk / Heavy Lift Operator"

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

On behalf of SCI, Mrs. Sangeeta Sharma received the award for "Best Shipping Line of the Year - Breakbulk / Heavy Lift Operator" at this award ceremony.



SCI bags 'Offshore Marine Award for Owners & Operators'

The Shipping Corporation of India Ltd (SCI) won the 'Offshore Marine Award for Owners & Operators' at the Seatrade Maritime Awards Middle East, Indian sub-continent & Africa held at Atlantis, The Palm, Dubai on 28th October 2018. SCI has also been recognised with two commendations under the categories viz 'Corporate Social Responsibility' and 'Shipping Company of the Year'. The Award, Citations and Commendations were received by Shri S.K.Biswas, Chief Manager, SCI at the event.

Navratna Company
(ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified)

The Shipping Corporation Of India Ltd.

VISION

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

MISSION

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

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

OBJECTIVES

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

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

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BOARD OF DIRECTORS#

Capt. Anoop Kumar Sharma
Chairman & Managing Director

Shri Shambhu Singh
Government Director

Shri Satinder Pal Singh
Government Director

Smt. H. K. Joshi
Director

Shri S. V. Kher
Director

Dr. Gautam Sinha
Independent Director

Shri Raj Kishore Tewari
Independent Director

Dr. P. Kanagasabapathi
Independent Director

Smt. Sangeeta Sharma
Director

Shri Rajesh Sood
Director

Shri Surinder Pal Singh Jaggi
Director

Shri Vijay Tulshiramji Jadhao
Independent Director

CA Mavjibhai B. Sorathia
Independent Director

Shri Arun Balakrishnan
Independent Director

Except for first three names, all other names are in the order of date of appointment.

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

STATUTORY AUDITORS*

M/s A. Bafna & Co., Mumbai
M/s. G.D. Apte & Co., Mumbai

**M/s GMJ & Co had conducted limited review audit of the Company for quarter ended June 2018*

For Financial Year 2019-20, M/s V. Sankar Aiyar & Co. and M/s Haribhakti & Co. LLP are appointed as Statutory Auditors

SECRETARIAL AUDITOR

Shri Upendra Shukla,
Practicing Company Secretary

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400 059.
Maharashtra.

Chairman's Message

Ladies and Gentlemen,

On behalf of the Board of Directors of The Shipping Corporation of India Ltd, I welcome you all to the 69th Annual General Meeting of your Company. I am pleased to place before our esteemed shareholders, the 69th Annual Report of your Company for the financial year 2018-2019. This report describes in detail the working of your Company for the financial year ended 31st March 2019. I would like to summarise some salient features of your Company's performance during the last financial year.

Financials

Your Company has reported a standalone net loss of Rs.122 Crores (consolidated net loss of Rs. 62.66 Crores) excluding Other Comprehensive Income for the year ended 31st March 2019 as against a standalone net profit of Rs. 253.75 Crores (consolidated net profit Rs.306.5 Crores) excluding Other Comprehensive Income for the year ended 31st March 2018.

Despite the net loss for the year, there have been noteworthy positives in the financial performance of Your Company. There has been a good increase in the operating revenues compared to the previous year and a substantial increase in Operating Profits of Your Company. The Tanker and Dry Bulk segments have performed substantially better than the previous year with the improvement in the freight market.

Global Shipping Scenario & Operations

Former Secretary General of the International Maritime Organisation famously said "Without Shipping, half the world would starve and the other half would freeze". Such is the importance of Merchant Shipping which is the backbone of globalization and lies at the heart of cross-border transport networks that support supply chains and enable international trade. Factors such as global GDP and world merchandise growth have been aiding gradual recovery in shipping. However numerous geo-political and local factors have been hampering trade growth. 'Trade Wars' are here and have started impacting the world economy in real time. In addition, other geopolitical events such as the return of US sanctions on Iran and the resultant tension at Strait of Hormuz, economic concerns in Europe, political concerns in Venezuela etc are adding further uncertainty to the growth in global trade. Having presence in multiple segments of the maritime trade, your company is highly diversified. However, the tanker segment is the largest contributor to the top line. During the past couple of quarters, certain segments of shipping such as Tanker and Dry Bulk segments have seen some revival and moderate increase in charter rates. Your company is well geared to comply with IMO's Sulphur 2020 which will take effect from 01st January 2020.

On the operational front, it is heart-warming to note that the Tanker and Dry Bulk segments have returned to reporting profits. The uptick in tanker and dry bulk freights aided by global factors has contributed to increased revenues during the year. Crude Oil, Currency exchange rate fluctuations, Impact of US sanctions on Iran and US-China trade war continue to play spoil sport to the prospects of profitability for the Shipping companies including your company. Forecasts indicate that the improving tonnage demand-supply situation and some tonnage being taken out from market to cater to IMO 2020 regulations is bound to have a positive effect on freight rates in the next couple of quarters.

Memorandum of Understanding with Ministry of Shipping

Your company has signed the Memorandum of Understanding with the Ministry of Shipping for the Financial Year 2019-2020 on 10th May 2019 at New Delhi. The evaluation for performance of your company for the financial year 2018-2019 is under progress and the Government of India shall announce the final ratings in a few months.

Acquisitions and Disposals

Your company has been periodically phasing out economically unviable ships from time to time. Your company is also looking to sell and replace more economically unviable ships in the coming months. With a younger and modern fleet your company will be fully geared up to take advantage of the better freight market conditions. Your company enjoys an enviable position in terms of the average age of the fleet and having one of the youngest merchant shipping fleets in the world.

Your company has over the years, successfully retained its 'Numero Uno'position in Indian Shipping and has been a frontrunner in terms of growth, diversification and replenishment of its tonnage. Your company continues to be India's most diversified shipping company and is looking to strategically acquire tonnage in the coming months.

Corporate Social Responsibility

During financial year 2018-2019, your company has also undertaken various initiatives under Corporate Social Responsibility (CSR) broadly in the areas of Promotion of Education, Eradicating Hunger & Malnutrition, Women Empowerment & Gender Equality, 'Swachh Bharat Abhiyaan & Ganga Rejuvenation', Promoting Preventive Health Care, employment enhancing vocational skills for Divyangjans / PwDs and Ensuring Environment sustainability.

Corporate Governance

Your Company has a legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

Other Corporate developments

Your company's Multi-Purpose Support Vessel 'SCI Sabarmati' played a very important and pivotal role during the conduct of Sea Acceptance Trials (SAT) of Indian Navy's Deep Submergence Rescue Vessel (DSRV) on the West Coast of India. The trials were successfully concluded on 15th October 2018 and the DSRV was inducted by the Western Naval Command of the Indian Navy on 12th December 2018.

Your Company has started a new Chennai – Port Blair Service on 15th May 2018 which was further strengthened with the induction of a Multipurpose vessel for deployment on the sector. This service provides the much needed connectivity from Mainland to the Islands.

Your Company has commenced a new Kolkata – Port Blair Service with the induction of a Multipurpose vessel which commenced its maiden voyage on 22nd December 2018.

Employee engagement

Concerted efforts of the leadership team of your company to 'invest in people' have led to tremendous progress in employee engagement initiatives across the organisation. Plethora of in-house training for employees ashore as well as onboard was carried out. Employees have responded with highly encouraging participation and performance across initiatives such as SCI Empower, SCI LEAP, Management Development Programmes, Other training programmes and at various national level competitions. Several efforts have been concentrated on inculcating the habits of continuous learning amongst employees and to make SCI a learning organisation.

Your company has achieved reasonable success in these learning cum employee engagement initiatives resulting in national level accolades. SCI's Women in Public Services team has won the First prize at National Level this year. In addition, your company has been actively represented at various intellectual discourses and competitions of the All India Management Association with special appreciation. Awards and laurels are testament to the excellent collective work put in by the organisation and its employees.

Awards & Accolades bestowed upon your company during FY 2018-19

- SCI awarded 'Winner' under the category 'Contribution of Women in PSEs' at ICC's PSE Excellence Awards 2018 held in New Delhi on 29th August 2018.
- Capt. Anoop Kumar Sharma, CMD SCI conferred with an Excellence award for his outstanding contribution to the Indian Public Sector at the ICC's PSE Excellence Awards 2018 held in New Delhi on 29th August 2018.
- Capt. Anoop Kumar Sharma, CMD, SCI has been awarded with 'Outstanding Achievement Award' at 'The Maritime Standard Awards 2018' held in Dubai on 15th October 2018.
- SCI won the 'Offshore Marine Award for Owners & Operators' at 'Seatrade Maritime Awards (Middle East, Indian sub-continent & Africa)' held in Dubai on 28th October 2018.
- SCI awarded 'Shipping Company of the Year–Coastal' at the 6th Samudra Manthan Awards held in Mumbai on 05th December 2018.
- SCI awarded for 'HR Excellence' at the 6th Governance Now PSU Awards held in Delhi on 17th January 2019.
- SCI awarded First Prize for 'Best Enterprise - Navratna' at the 29th National Meet of Forum of Women in Public Sector (WIPS) held in Delhi on 12th February 2019
- Mrs. Sangeeta Sharma, Director, Liner & Passenger Services, SCI awarded 'Best Women Employee - Executive' at the 29th National Meet of Forum of Women held in Public Sector (WIPS) at New Delhi on 12th February 2019.
- SCI awarded 'Most Compassionate Employer of Indian Seafarers' at the Grand Finale of National Maritime Day Celebrations held in Mumbai on 05th April 2019.
- Capt. Anoop Kumar Sharma, CMD SCI conferred with 'NMD Award of Excellence' at the Grand Finale of National Maritime Day Celebrations held in Mumbai on 05th April 2019.

Acknowledgements

I would like to express my gratitude to the Government of India for its support to your Company. I wish to thank the Honourable Minister of Shipping for his leadership and the consistent support provided to your company. I would also like to express my gratitude towards Secretary (Shipping) for his guidance to your Company. My sincere thanks are also due to the other officials of the Administrative Ministry, other Ministries and Departments of the Government of India. I would also like to express my gratitude towards the Directorate General of Shipping for its support and understanding of various problems being faced by the Indian shipping industry and specifically by your Company. I also wish to express my special appreciation towards all the shareholders, stakeholders, my colleagues on the Board of Directors and all the floating and shore employees for their continued support over the years.

Captain Anoop Kumar Sharma
Chairman & Managing Director

BOARD OF DIRECTORS

Capt. Anoop Kumar Sharma - *Chairman & Managing Director*

Capt. Anoop Kumar Sharma is a Master Mariner (FG) and has served the shipping industry for over 37 years at various responsible levels. He is a Fellow of Institute of Chartered Shipbrokers, London and holds a Diploma in Marketing Management from Narsee Monjee Institute of Management Studies, Mumbai. In his previous stint, Capt. Sharma has served as the Managing Director of Essar Shipping Ltd.

Capt. Sharma is currently the President of Indian National Shipowners' Association (INSA), Member of the Research Council of CSIR - Central Electrochemical Research Institute (CECRI), Karaikudi, is on the Boards of Baltic and International Maritime Council (BIMCO), Indian Register of Shipping (IRS), North of England Protection & Indemnity Club, Bombay Chamber of Commerce & Industry and SCI's Joint Venture companies. He is also a member on high level committees of international Classifications Societies such as Bureau Veritas, Lloyds' Register and American Bureau of Shipping. In addition, he also holds memberships of several technical and commercial committees in the fields of Maritime & Logistics.

Shri Shambhu Singh - *Government Director*

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

Shri Satinder Pal Singh - *Government Director*

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

Smt. H. K. Joshi - *Director*

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

With a very rich and diversified experience spanning over three decades with ONGC, a Mammoth Maharatna PSU, her experience includes almost two decades with ONGC Videsh Limited (OVL – overseas arm of ONGC) which looks after the international business acquisitions of ONGC wherein she was actively associated with the path breaking international transactions which led the company (OVL) to turnaround. This assignment gave her a lot of opportunity to travel and develop her professional attributes to International standards. She started her career as a Lecturer in Delhi University and joined the corporate world in 1984. She is a Fellow Member of The Institute of Cost Accountants of India. Mrs Joshi, a B.Com (Honours) & an M.Com from the prestigious Delhi School of Economics, Delhi University has been a rank holder in her post-graduation and is also a life member of the Institute of Public Administration, Delhi.

In July 2015, she was honoured with "CMA CFO Award 2014" from The Institute of Cost Accountants of India. She has been the recipient of "The Most Influential CFOs of India Award" from Chartered Institute of Management Accounts, UK for two successive years, 2015 and 2016. She has also been awarded with "The Tenth India CFO Awards – Excellence in Finance to enable a Turnaround" hosted by International Market Assessment India Private Limited in association with Pierian Services in May 2016. On 3rd of February 2018, she has been conferred with the Best Woman Employee Award 1st Place (Executive Category) by the Forum of Women in Public Sector (under the aegis of SCOPE).

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

Shri S. V. Kher - *Director*

Shri Shrikant V. Kher, Director of Bulk Carriers and Tankers joined the Shipping Corporation of India in 1985 and has served in various Divisions of the Corporation. He holds MBA degree in Marketing and has completed his M.Sc. (Shipping Management) from the World Maritime University, Malmo Sweden.

Shri Kher has vast experience in Off Shore projects, Business Development and Commercial operations of Bulk Carriers & Tankers and LNG Tankers. He was closely involved in the formation of LNG JV Companies which now own a total of 4 LNG tankers. These are fully managed by SCI through a pool of qualified and experienced Officers. During his tenure as Senior Vice President of Bulk Carriers, he has acquired in depth understanding in the trade and nuances of the Dry Bulk Sector. At the helm of the BNT Division, he continues to provide a thrust for catering to the requirement of sea transportation for various critical energy resources, viz, Crude Oil, Petroleum Products, LPG, LNG & Coal, required by the Indian Charterers/Industry.

Dr. Gautam Sinha - *Independent Director*

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

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

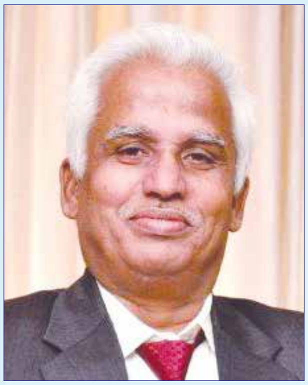
BOARD OF DIRECTORS

Shri Raj Kishore Tewari - *Independent Director*

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

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

As a member/chairman of CBDT, he has attended international seminars/ conferences. He was a member of high level committee appointed by Ministry of Corporate Affairs for making recommendations to strengthen the disciplinary mechanism in professional institutes of ICAI, ICSI and ICMI. He also functioned as Govt Nominee in Board of Discipline of ICAI for three years. In Jan 2019 he was appointed Course Director for 34th course on Legislative Drafting conducted by Bureau of Parliamentary Studies and Training, Lok Sabha Secretariat.



Dr. P. Kanagasabapathi - *Independent Director*

Dr. P. Kanagasabapathi has been inducted as an Independent Director on the Board of Shipping Corporation of India Ltd in September 2017. A Professor of Management and Adjunct Professor of Law, he obtained his Doctorate in capital markets and investment management as a UGC Research Fellow. He has a Post Graduate Degree in Commerce from the University of Madras, besides a degree in Law. Known for his pioneering studies in different fields of industrial and business centres, he was a key member of the team that completed the study of the Kite business for the Gujarat Government. He is involved in India-centric research for the last 25 years and was earlier the Director of state level research and training institute promoted by the Tamil Nadu Government.

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

Smt. Sangeeta Sharma - *Director*

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

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

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

Shri Rajesh Sood - *Director*

Shri Rajesh Sood is the Director (Technical & Offshore) of The Shipping Corporation of India Ltd. (SCI) since December 2017. He is a Marine Engineer holding Class I (Motor) certificate of competency issued by Ministry of Transport and Masters' degree in Shipping Management from the World Maritime University, Malmo, Sweden. Shri Sood has a vast experience of over 33 years in various segments of Maritime field. He started his professional journey with "The Shipping Corporation of India" in 1984 as a 5th Engineer officer. After serving on diverse types of ships in various ranks for 15 years, he joined shore establishment in 1998. He gained experience performing diverse roles across various departments including shipbuilding & services, tanker technical and bulk carrier technical. He was also involved in a number of ship acquisition projects from conceptual design stage till delivery of various types and sizes of the vessels. During his tenure as Senior Vice President, he was responsible for bringing much needed stability and control in operations.

Shri Surinder Pal Singh Jaggi - *Director*

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

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

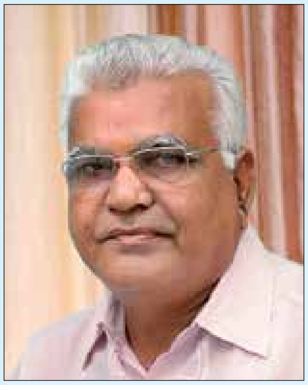
Shri Jaggi has over 35 years of experience in HR & allied functions, dealing with diverse Key HR processes like Development and Implementation of HR Policy, Talent Promotion, Innovative Learning and Development Initiatives, Performance Management, Employee Involvement and Engagement, Shop-floor Discipline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

Shri Vijay Tulshiramji Jadhao - *Independent Director*

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

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

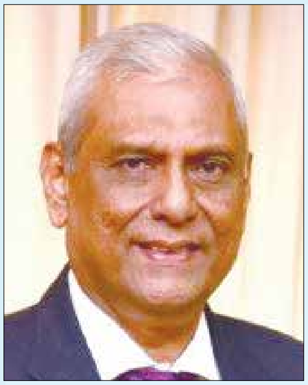
Shri Jadhao is also involved in co-operative sectors and co-operative Banks in Maharashtra like Akola District Central Co-op Bank Ltd. He is a Social Activist and his social contacts and experience in business are also very helpful to the future prospects of various company.



CA Mavjibhai B. Sorathia - *Independent Director*

CA Mavjibhai B.Sorathia has been inducted as an Independent Director on the Board Of Shipping Corporation of India Ltd. in Dec 2018. He is Practicing Chartered Accountant and fellow member of Institute of Chartered Accountant of India. He has done B.Com (Hons) from M.S.UNIVERSITY, Baroda and Bachelor of Law (LL.B.) from Sir L.A. Shah Law College, Ahmedabad. He has done diploma in German & French language from faculty of Arts, M.S.UNIVERSITY of Baroda. He holds more than 33 years of experience in practice and at various Industries level. He was appointed as Trustee on Board of Deendayal Port Trust, Kandla – A Major Port of India (Formally known as Kandla Port Trust.) He is a Director on Board of the Kutch District Central Co-operative Bank Ltd. He was Convener of CA cell, BJP Gujarat Pradesh. He is acting trustee on board of many charitable trusts. He was Ex-President of Anjar Municipalty, Anjar, Kutch, Gujarat. He is regular speaker at various professional forums and prominent column writer on Swami Vivekanand and Maharshi Aurobindo and Mother.

He is promoter of Development of GIDC, Anjar- Kutch, He was Chairman of TAXATION COMMITTEE, GANDHIDHAM CHAMBER OF COMMERCE. He was Chairman of DIRECT TAXATION COMMITTEE, ANJAR CHAMBER OF COMMERCE & INDUSTRIES. He was President of GANDHIDHAM TAX CONSULTANTS ASSOCIATION continuously for a tenure of 14 Years. He was Vice- President of All Gujarat Federation of Tax Consultants Association, Ahmedabad.



Shri Arun Balakrishnan - *Independent Director*

Shri Arun Balakrishnan superannuated as Chairman and Managing Director of Hindustan Petroleum Corporation Ltd (HPCL), a Fortune 500 Company, in 2010 after having joined the company as a Management Trainee in 1976. A Chemical Engineer, with a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore, he has held functions such as Marketing, Operations, Import-Export, Human Resources, etc. at HPCL. He is also the Founder Chairman of HPCL-Mittal Energy Ltd. (HMEL),a Joint Venture Company of HPCL and L.N. Mittal Investments, and is currently an Independent Director of the Board.

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

BOARD OF DIRECTORS

Sitting from L to R : Smt. Sangeeta Sharma - *Director,* **Dr. P. Kanagasabapathi -** *Independent Director,* **Shri Raj Kishore Tewari -** *Independent Director*, **Capt. Anoop Kumar Sharma -** *Chairman & Managing Director*, **Shri Mavjibhai Sorathia -** *Independent Director,* **Shri Arun Balakrishnan -** *Independent Director*, **Smt. H.K. Joshi -** *Director*

Standing from L to R : Shri Satinder Pal Singh - *Government Director*, **Shri Shrikant V. Kher -** *Director*, **Dr. Gautam Sinha -** *Independent Director*, **Shri Rajesh Sood -** *Director,* **Shri Vijay T. Jadhao -** *Independent Director*, **Shri Surinder Pal Singh Jaggi -** *Director*

EXECUTIVE DIRECTORS AND GENERAL MANAGERS AS ON 01.08.2019

S. No	NAME	TITLE	DES	LOCATION	DIVISION
1	DIPANKAR HALDAR	Mr.	ED	MUM	Board Sectt.
2	MANDAL SHILADITYA	Mr.	GM	Port Blair	Port Blair
3	MESHRAM BALA V.	Mr.	GM	MUM	F&A
4	MATHEWS PHILIP	Capt.	GM	MUM	P&A
5	UBALE ATUL L.	Mr.	GM	MUM	B&T
6	SHARMA ANIL K.	Capt.	GM	MUM	T&OS
7	KULKARNI PRADEEP V.	Mr.	GM	MUM	P&S
8	BHANDARI VIJAY K.	Mr.	GM	MUM	B&T
9	KULKARNI ANJALI P.	Ms.	GM	MUM	F&A
10	MISRA SANDEEP	Mr.	GM	MUM	B&T
11	MURUGADAS J.	Mr.	GM	MUM	IT
12	VINOD G.	Mr.	GM	MUM	L&PS
13	GANGOPADHYAY PRABIR KUMAR	Mr.	GM	MUM	B&T
14	TYAGI BINESH K.	Capt.	GM	MUM	B&T
15	CHARLES SASHIKALA	Ms.	GM	MUM	P&A
16	SERRAO LAWRENCE	Mr.	GM	MUM	F&A
17	BANDEKAR S. R.	Mr.	GM	MUM	B&T
18	SAINI MANJIT SINGH	Mr.	GM	CHEN	CHEN
19	KUMAR NARENDRA	Capt.	GM	MUM	P&A
20	DINGLEY VIKRAM	Mr.	GM	MUM	B&T
21	N. SUBRAMANYA PRAKASH	Mr.	GM	MUM	F&A
22	RAJESH KUMAR	Capt.	GM	MUM	P&A
23	PURUSHOTHAM JAYARAMAN	Mr.	GM	MUM	L&PS

DECADE AT GLANCE (STANDALONE)

OPERATIONAL STATISTICS

(Figures in Crores of ₹)

	IGAAP							IND AS				
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2015-16*	2016-17	2016-17**	2017-18	2018-19
Operating Earnings	3,463.1	3,543.4	3,820.8	4,152.5	4,155.2	4,153.8	4,078.3	4,049.9	3,446.9	3,447.4	3,469.5	3,925.9
Interest Income	218.2	191.4	183.4	107.3	103.3	145.9	113.2	114.1	106.4	106.4	86.3	90.5
Other Income	215.0	285.0	495.9	236.4	280.5	288.0	85.7	50.7	38.8	38.8	61.7	127.8
Total Earnings	3,896.3	4,019.8	4,500.1	4,496.2	4,539.0	4,587.6	4,277.2	4,214.7	3,592.1	3,592.6	3,617.5	4,144.1
Operating Expenses	2,771.0	2,254.5	3,328.4	3,273.7	3,112.3	2,794.2	2,339.6	2,098.8	2,141.3	2,178.0	2,223.0	2,572.0
Other Expenses	216.7	576.7	515.7	668.4	585.6	567.8	636.9	612.4	535.4	490.6	574.9	742.7
Interest Expenses	52.5	66.9	387.3	161.8	206.1	179.3	160.6	171.9	172.2	172.2	179.8	245.9
Depreciation	380.1	465.1	608.7	760.5	856.4	770.2	580.0	542.3	566.1	566.1	610.3	658.5
Impairment	-	-	-	-	-	-	136.4	-	-	-	-	-
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	(299.7)	-	-	-	-	-	-	-	-
Tax Liability	99.1	89.3	88.2	45.8	53.3	75.2	46.5	36.1	41.7	43.5	(224.3)	47.1
Total Expenses	3,519.4	3,452.5	4,928.3	4,610.5	4,813.7	4,386.7	3,899.9	3,461.4	3,456.6	3,450.3	3,363.7	4,266.1
Profit after Tax	376.9	567.3	(428.2)	(114.3)	(274.7)	200.9	377.3	753.3	135.5	142.3	253.8	(122.0)

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

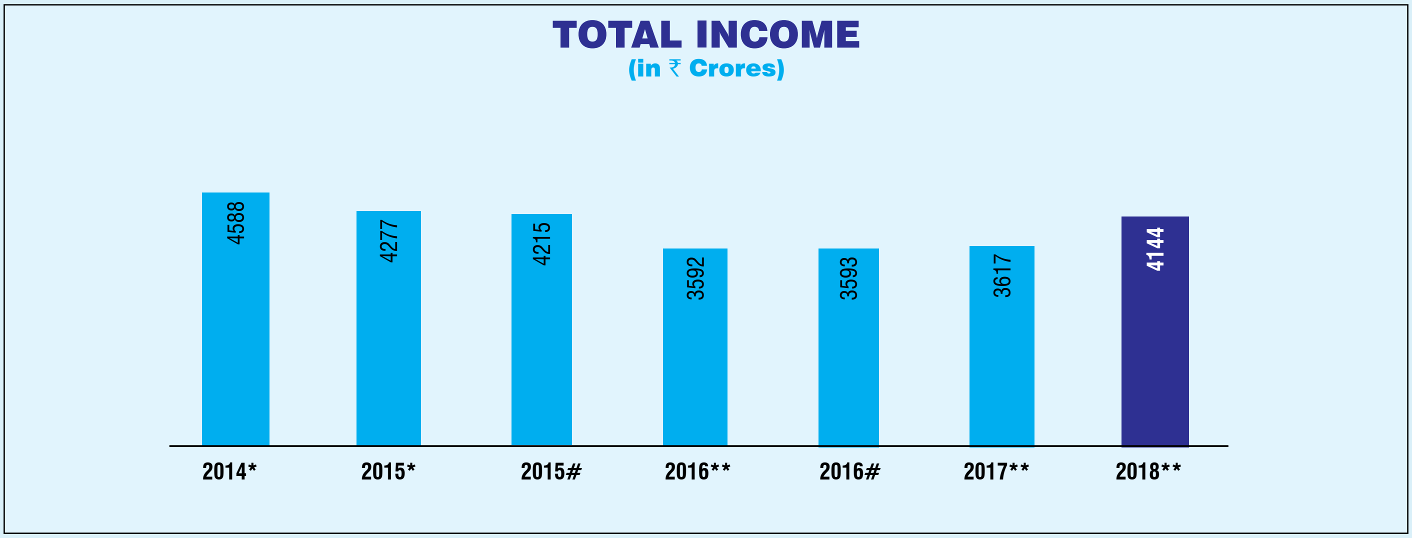
FINANCIAL HIGHLIGHTS:

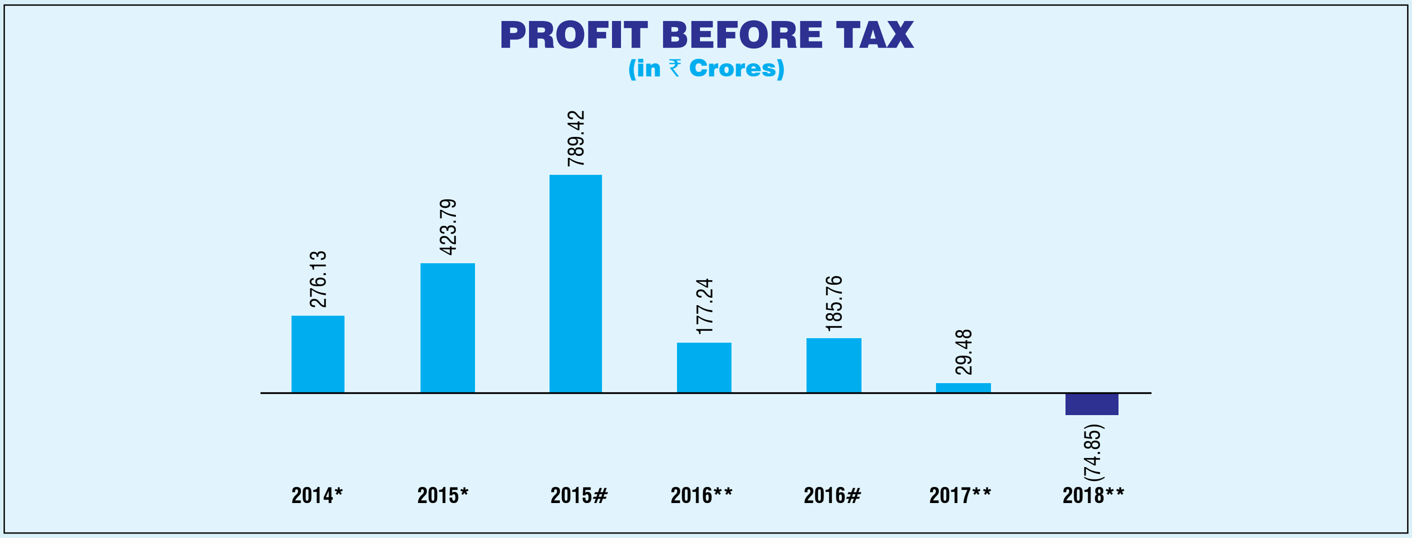
(Figures in Crores of ₹)

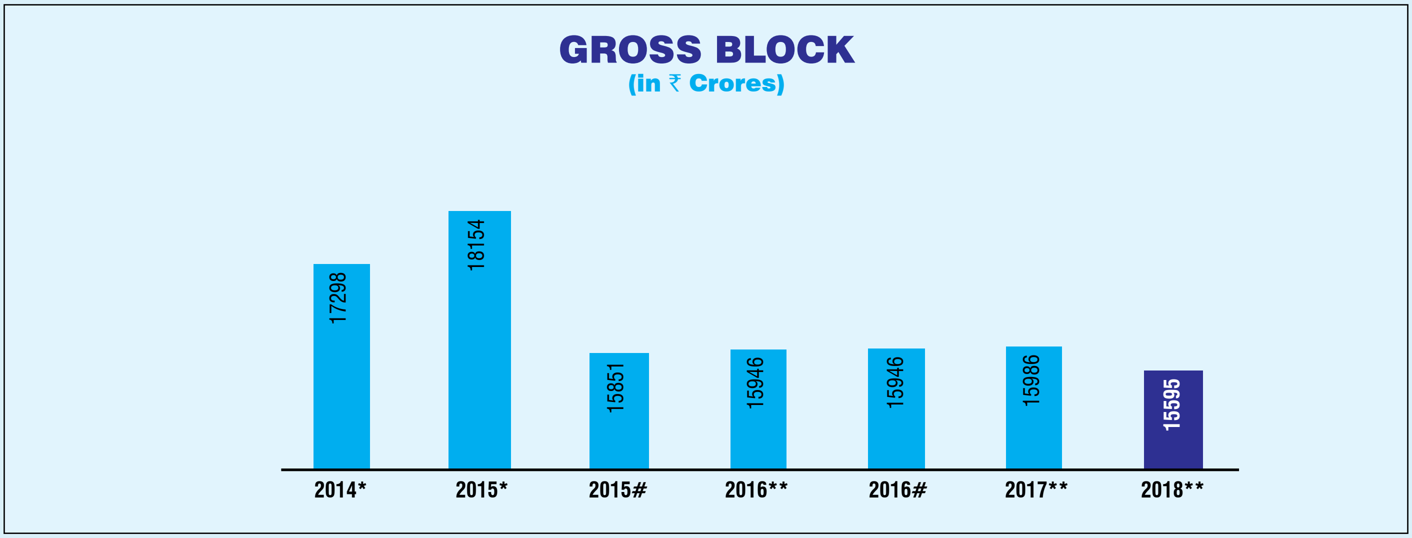
	IGAAP							IND AS				
	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15	31-03-16	31-03-16*	31-03-17	31-03-17**	31-03-18	31-03-19
WHAT THE COMPANY OWNED												
Fixed Assets												
Gross Block	8,893.2	11,841.3	13,334.4	16,556.8	17,486.3	17,297.9	18,154.4	15,851.3	15,945.6	15,945.6	15,986.2	15,594.9
Less:Depreciation(Cum) & Impairment	4,386.4	4,472.1	4,421.6	5,017.0	5,551.6	5,853.4	6,551.0	4,024.1	4,534.9	4,534.9	4,638.2	4,475.8
Net Block	4,506.8	7,369.2	8,912.8	11,540.3	11,934.7	11,444.5	11,603.4	11,827.2	11,410.7	11,410.7	11,348.0	11,119.1
Assets under Construction	1,854.7	1,790.4	1,833.3	1,572.5	710.9	490.9	-	-	27.3	27.3	7.8	7.6
Working Capital	2,505.7	2,431.0	2,036.6	1,550.1	1,837.6	1,341.3	1139.6	1027.0	216.4	226.4	25.8	(441.1)
Investments	166.7	292.7	274.6	117.7	113.5	90.1	65.3	65.7	74.6	74.6	130.9	77.1
Total	9,033.9	11,883.3	13,057.3	14,780.6	14,596.7	13,366.8	12,808.3	12,919.9	11,729.1	11,739.1	11,512.5	10,762.7
WHAT THE COMPANY OWED												
Long Term Funds:												
Bank Loans	2,696.9	4,715.2	6,323.0	7,707.4	8,000.5	6,833.2	5897.9	5844.8	4518.1	4518.1	3,790.6	2,963.7
Unsecured Loans	-	-	-	457.0	256.4	-	-	-	-	-	520.4	726.3
Total Long Term Funds	2,696.9	4,715.2	6,323.0	8,164.4	8,256.9	6,833.2	5,897.9	5,844.8	4,518.1	4,518.1	4,311.0	3,690.0
Deferred Tax Liability	-	-	-	-	-	-	-	351.6	343.6	388.2	104.0	91.5
NET WORTH OF THE COMPANY												
Share Capital	423.5	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8
Reserves & Surplus	5,913.5	6,702.3	6,268.5	6,150.4	5,874.0	6,067.8	6444.6	6257.7	6401.6	6367.0	6,631.8	6,515.4
Total	6,337.0	7,168.1	6,734.3	6,616.2	6,339.8	6,533.6	6,910.4	6,723.5	6,867.4	6,832.8	7,097.6	6,981.2
Dividend paid	211.7	256.2	-	-	-	-	-	-	-	-	-	-
Dividend %	50.0	55.0	-	-	-	-	-	-	-	-	-	-

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

GRAPHS (STANDALONE)

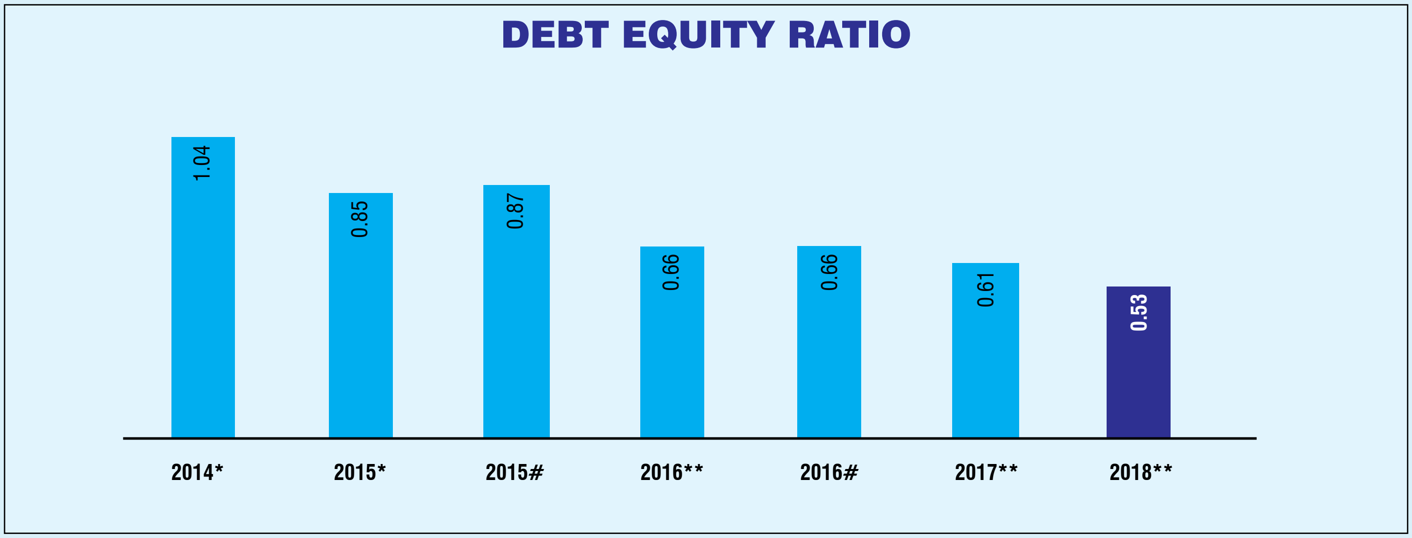


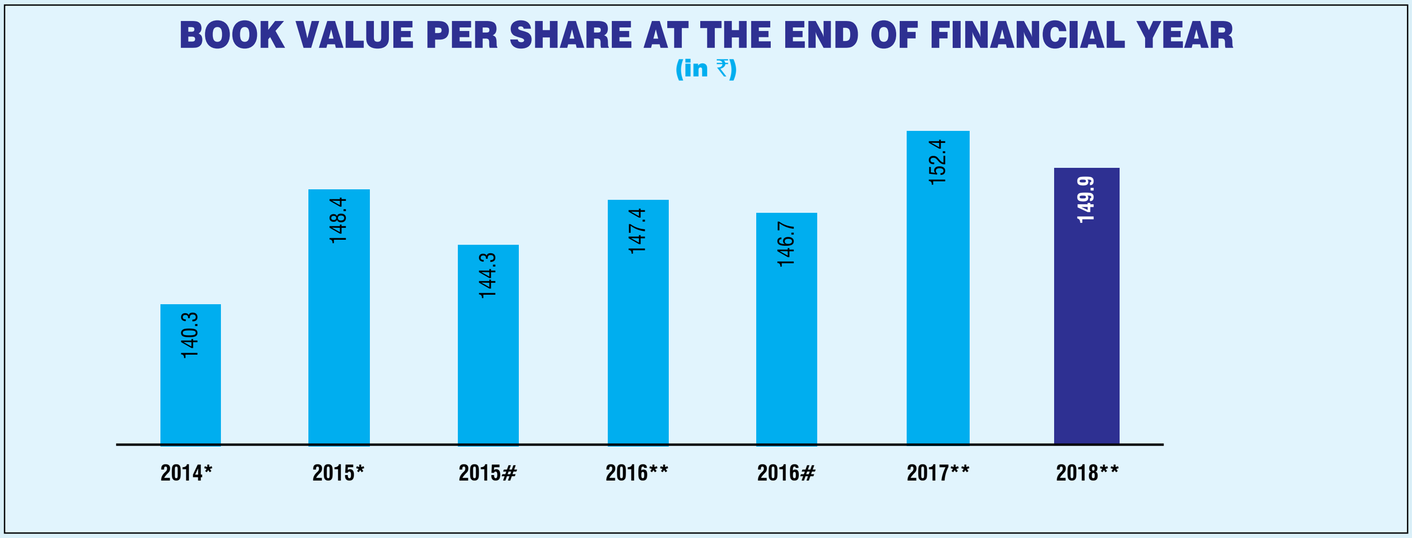




1. * IGAAP. 2. # Restated Ind AS. 3. ** Ind AS. 4. Fiscal year 2014 represents financial year 2014-15, 2015 – Financial year 2015-16, 2016 – Financial year 2016-17, 2017 – Financial year 2017-18 and 2018 – Financial year 2018-19.

GRAPHS (STANDALONE)





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SALIENT STATISTICS 2018-19

Authorised Capital	₹ 1000.00 Crores
Subscribed & Paid-up Capital	₹ 465.80 Crores
Depreciation and Amortisation	₹ 658.46 Crores
Gross Earnings	₹ 4144.09 Crores
Gross Investment on Fleet	₹ 12316.19 Crores
No. of Passengers carried (including managed vessels)	Mainland - 41618 Inter-Island - 167130 Foreshore - 307781
No. of Employees (including crew) (As on 1st July, 2019)	2116
Vessels Owned (As on 1st July, 2019)	
• **Number**	61
• **Tonnage**	5.606 million DWT 3.100 million GT
Vessels on Order (As on 1st July, 2019)	NIL
No. of Acquisitions (from 01.04.2018-01.07.2019)	NIL

NOTICE OF MEETING

NOTICE is hereby given that 69th Annual General Meeting of The Shipping Corporation of India Ltd. will be held at the Registered Office of the Company at “Shipping House”, 245, Madame Cama Road, Nariman Point, Mumbai – 400 021 at 3.30 pm on 25.09.2019 to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements as on 31.03.2019 and Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Smt H K Joshi (DIN: 07085755) who retires at this meeting and being eligible, offers herself for re-appointment.
3. To fix remuneration of auditors for the Financial Year 2019-20.

SPECIAL BUSINESS BY ORDINARY RESOLUTION

4. To consider and pass the following resolution:
   “RESOLVED THAT Shri Mavjibhai Sorathia (DIN: 02015175), who was appointed as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby appointed as a Non Official Part Time (Independent) Director of the Company”.

SPECIAL BUSINESS BY SPECIAL RESOLUTION

5. To consider and pass the following resolution:
   “RESOLVED THAT Shri Arun Balakrishnan (DIN: 00130241) appointed vide Letter from Ministry of Shipping dated 12.07.2019, as an Additional Director under Section 161 of the Companies Act, 2013, entitled to hold office upto the conclusion of this meeting, be and is hereby re-appointed as a Non Official Part Time (Independent) Director of the Company”.

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

Registered Office:
Shipping House, 245, Madame Cama Road, Mumbai – 400 021.
Dated : 09.08.2019

NOTES

i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY FILLED, STAMPED AND SIGNED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

ii. Bodies Corporate, whether a company or not, who are members, may attend through their authorized representatives appointed under Section 113 of the Companies Act, 2013. A Copy of authorization should be deposited with the Company on or before 24.09.2019 till 5 p.m.

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

iv. The Register of Members and the Share Transfer Books of the Company will remain closed from 18.09.2019 to 25.09.2019. Members are requested to notify any change in their address to the Share Transfer Agent of the Company at the following address - Bigshare Services Pvt Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra, Tel: 022-62638200, Fax: 022-62638299, Email: investor@bigshareonline.com

v. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the amount of dividend which remains unpaid / unclaimed for a period of 7 years is required to be transferred to the “Investor Education and Protection Fund (IEPF)”, constituted by the Central Government. The dividend paid for the year 2010-11 (Final) and 2010-11 (Interim) remaining unclaimed / unpaid has already been transferred to the IEPF. The shares pertaining to the said amount have also been transferred to IEPF.

vi. **Members who have not registered their e-mail ID with Depository Participants / Registrar & Share Transfer Agents, are requested to do so, in order to receive notices, reports and other documents in soft form.**

vii. **Shareholders are requested to update their PAN and bank details with the RTA/Depository. The**

shareholders holding shares in physical form may like to get the same dematerialised at the earliest.

viii. The Registers of the Directors and Key Managerial Personnel and their shareholding under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

ix. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (LODR) Regulations, 2015 the Company is pleased to provide its Members the facility of remote electronic voting to cast their votes for the resolutions to be passed at the meeting through services provided by Central Depository Services (India) Limited ('CDSL'). The members may cast their votes on electronic voting system from a place other than the venue of the meeting (remote e-voting).

x. The facility for voting through poll shall be made available at the meeting to the members who have not cast their vote through remote e-voting and shall be eligible to vote at the Annual General Meeting. Any member who has voted by remote e-voting, cannot vote at the Annual General Meeting and his vote, if any, cast at the meeting shall be treated as invalid.

xi. The Board of Directors of the Company has appointed Mr. Upendra Shukla, Practicing Company Secretary to act as a Scrutinizer, to scrutinize the remote e-voting process and the poll to be conducted at the meeting in a fair and transparent manner.

xii. The Scrutinizer, after scrutinizing the votes cast at the meeting (through poll) and through remote e-voting, will, not later than 48 hours of conclusion of the meeting, make a consolidated Scrutinizers report and submit it to the Chairman. The results declared along with the Scrutinizers Report shall be placed on the website of the Company www.shipindia.com. The results shall be simultaneously communicated to the Stock Exchanges.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 22.09.2019 at 9 AM and ends on 24.09.2019 at 5 PM. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18.09.2019 (Record Date) may cast their vote electronically. Any person who is not a member as on cut-off date should treat this notice for information purposes only.

(ii) The e-voting module shall be disabled by CDSL for voting thereafter.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders / Members

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for The Shipping Corporation of India Ltd to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details by custodian a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. In case of Non-Individual Shareholders, admin user also would be able to link the accounts.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

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

In case of members receiving the physical copy:

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

Dipankar Haldar
Executive Director (Legal Affairs) &
Company Secretary

Registered Office:
Shipping House, 245, Madame Cama Road,
Mumbai – 400 021.
Date : 09.08.2019

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

The following explanatory statement sets out all the material facts relating to special business mentioned in Item No.4 & Item No. 5 of the accompanying notice dated 09.08.2019 convening the 69th Annual General Meeting of the Company.

Item No. 4 of the Notice

The Board of Directors of the Company appointed Shri Mavjibhai Sorathia as an Additional Director of the Company with effect from 17.12.2018, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company.

In terms of the provisions of Section 161(1) of the Act, Shri Sorathia would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder under Section 160 of the Act proposing his candidature for the office of Director of the Company and consent has been filed by Shri Sorathia.

A brief profile of Shri Sorathia is given under the section 'Board of Directors' of the Annual Report. Declaration has been received from Shri Sorathia that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board recommends this Ordinary Resolution for your approval.

Item No 5 of the Notice

Pursuant to letter dt. 21.03.2016 received from the Ministry of Shipping, Shri Arun Balakrishnan was appointed on the Board of SCI as a Non- Official Part Time Independent Director on 30.03.2016. He ceased to be on the Board of SCI w.e.f. 20.03.2019 and was nominated for reappointment by the Ministry of Shipping vide their letter no SS- 11012/5/2014 SY-II dt. 12.07.2019 for a period of one year i.e. upto 20.03.2020. The Board vide resolution passed through circulation on 19.07.2019 appointed him as an Additional Director on the Board of SCI, under Section 161(1) of the Act and Article 125 of the Articles of Association of the Company.

In terms of the provisions of Section 161(1) of the Act, Shri Balakrishnan would hold office upto the date of the ensuing Annual General Meeting. Accordingly, pursuant to the provisions of Section 149(10) of the Act, consent of the members by way of passing of Special Resolution in relation to re-appointment of Shri Balakrishnan as a Non- Official Part Time Independent Director is required.

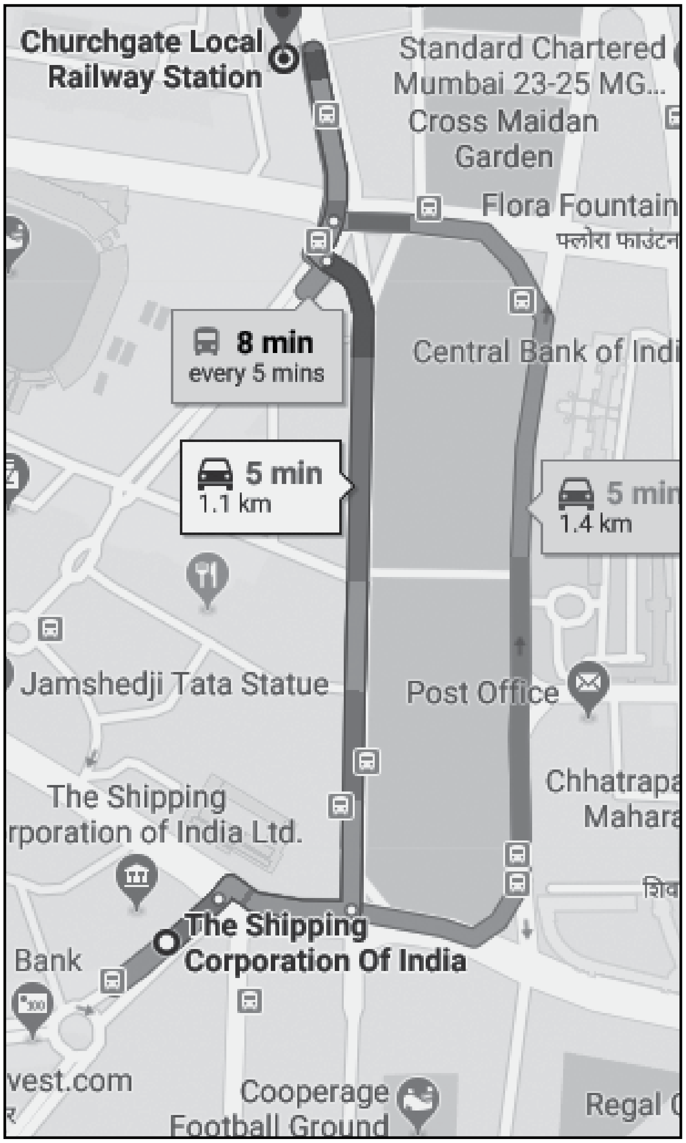
The Company has received a notice in writing under Section 160 of the Act proposing his candidature as Director of the Company and consent has been filed by Shri Balakrishnan.

A brief profile of Shri Balakrishnan is given under the section 'Board of Directors' of the Annual Report. Declaration has been received from Shri Balakrishnan that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the SEBI Guidance note dated 05.01.2017, a policy on Board Performance Evaluation has been formulated by the Board of SCI. Pursuant to the said Policy, evaluation of performance of Shri Balakrishnan was carried out during his tenure which ended on 20.03.2019.

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

The Board recommends this Special Resolution for your approval.

ROUTE MAP OF AGM



ANNEXURE TO NOTICE

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

<table>
<tr><td>Name of Director</td><td>Smt. H. K. Joshi</td><td>Shri Mavjibhai Sorathia</td><td>Shri Arun Balakrishnan</td></tr>
<tr><td>Date of Birth</td><td>15.05.1962</td><td>21.07.1953</td><td>25.07.1950</td></tr>
<tr><td>Date of Appointment</td><td>05.02.2015</td><td>17.12.2018</td><td>21.03.2019</td></tr>
<tr><td>Qualifications</td><td>B.Com
M.Com
Fellow member of The Institute of Cost Management Accountants of India</td><td>B.Com(Hon)
LL.B.
Fellow member of The Institute of Chartered Accountants of India</td><td>•B.E.(Chemical)
•PG Diploma in Management (IIM – Bangalore)</td></tr>
<tr><td>Expertise in Specific functional areas</td><td>Over 33 years of rich exposure in handling all facets of Finance & Accounts in the Oil sector and in Joint Venture assignments</td><td>Over 33 years of experience as a Practising Chartered Accountant.</td><td>Around 43 years of experience in Oil & Gas industry and allied sectors</td></tr>
<tr><td>Directorship held in other public companies (excluding Foreign, Private and Section 8 companies)</td><td>1) Inland & Coastal Shipping Ltd</td><td rowspan="2">NIL</td><td>1. NCDX e-Markets Ltd
2. HPCL Mittal Energy Ltd
3. Mahanagar Gas Ltd
4. Linde India Ltd
5. HPCL Mittal Pipelines Ltd
6. Rashtriya e-Markets Services Pvt. Ltd</td></tr>
<tr><td>Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)</td><td>NIL</td><td>Audit Committee Memberships
1. Mahanagar Gas Ltd.
2. Linde India Ltd.
Audit Committee Chairmanships
1. NCDX e-Markets Ltd
2. HPCL Mittal Energy Ltd
3. HPCL Mittal Pipelines Ltd</td></tr>
<tr><td>Number of shares held in SCI</td><td colspan="3">NIL</td></tr>
<tr><td>Number of Board Meetings Attended</td><td colspan="3">Please refer Corporate Governance Report</td></tr>
<tr><td>Relationships between directors inter-se</td><td colspan="3">NIL</td></tr>
</table>

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 69th Annual Report on the working of your Company for the Financial Year ended 31st March, 2019.

Accounting Year

The year under report covers a period of 12 months ended on 31st March, 2019.

FINANCIAL PERFORMANCE

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

(₹ in Crores)

		2018-19		2017-18
Gross Earnings		4144		3617
Gross Profit (before interest, depreciation & exceptional items & tax)		829		820
Less : Interest	246		180	
Depreciation and Impairment	658	904	610	790
Profit before exceptional items & tax		(75)		30
Exceptional items		-		-
Provision for Taxation		(47)		224
Net Profit		**(122)**		**254**

The above figures have been extracted from the standalone financial statements as per Indian Accounting Standards (Ind-AS).

Appropriations:

The working results for your company for the year 2018-19 shows a net loss of Rs.121.99 crore. After adjusting an opening credit balance of Rs. 422.67 crores (being balance Retained earnings brought forward from previous year) and adding items of other comprehensive income of Rs. 5.64 crores that are recognised directly in retained earnings, there is a credit balance in Retained earnings of Rs. 306.32 crores as on 31st March 2019.

Brief Analysis of Financial Performance

SCI has reported a net loss after tax of Rs. 121.99 crores for the financial year 2018-19. The Bulk & Tanker segment performed better due to better rates and more operating days. The Technical & Offshore segment together with Liner segment have performed adversely due to market conditions. This coupled with increased bunker cost and exchange loss has resulted in overall net loss after tax for the year.

The consolidated net loss for the company for Financial Year 2018-19 was Rs. 62.66 crores.

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

Particulars	ILT 1	ILT 2	ILT 3	ILT 4	ICSL
As on	**31.03.2019**	**31.03.2019**	**31.03.2019**	**31.03.2019**	**31.03.2019**
Total Income	17152	18760	18800	19550	0.33
PAT	7313	8051	717	5633	0.016
Equity capital	15	15	7	29360	5
Number of equity shares	10,000	10,000	10,000	42448300	50000
EPS (Rs/share)	73134	80507	7170	13	0
Dividend	0	0	0	0	0
Net worth	34147	34075	(13391)	29738	(5)

Net Impact on Consolidated profits for the year ended 31st March 2019 is increase of Rs 59.32 crores upon consolidation of above joint ventures and subsidiary and on Net worth is an increase of Rs 202.01 crores.

DIRECTORS' REPORT

1.0 Fleet Position during the Year:

During the year under report, while there has been no addition of vessels, five vessels (M.T.G.G. Singh, LPG Nangaparbat, LPG Annapurna, M. V. Tamilnadu, M. V. Lal Bahadur Shastri) have been decommissioned from SCI's fleet. Thus the overall fleet of SCI stood at 61 vessels of 5.606 million DWT at the end of the year.

Fleet Profile during the Year

Particulars		As on 1.4.2018		Additions		Deletions		As on 31.3.2019	
		No.	DWT	No.	DWT	No.	DWT	No.	DWT
1.	(a) Crude Oil Tanker	21	3,674,024	-	-	1	147,474	20	3,526,550
	(b) Product Tankers	13	862,925	-	-	-	-	13	862,925
	(c) Gas Carriers	3	88,705	-	-	2	35,202	1	53,503
2.	Bulk Carriers	16	1,068,088	-	-	1	45,744	15	1,022,344
3.	Liner Ships	3	144,500	-	-	1	28,902	2	115,598
4.	Offshore Supply Vessels	10	25,238	-	-	-	-	10	25,238
5.	Passenger-Cum-Cargo Vessels	0	0	-	-	-	-	0	0
	Total	66	5,863,480	-	-	5	257,322	61	**5,606,158**

2.0 During the period under report, the following vessels were disposed off from SCI fleet:

Vessel Name	Type	Year Built	DWT
G. G. Singh	Crude Oil Tanker	1995	147,474
Nanga Parbat	LPG carrier	1991	17,601
Annapurna	LPG carrier	1991	17,601
Tamilnadu	Bulk carrier	2000	45,744
Lal Bahadur Shastri	Container vessel	1993	28,902

2.1 At the end of the year 2018-19, the Company did not have any new build vessels on order.

2.2 Particulars of Loans, Guarantees and investments

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

2.3 Extract of Annual Return

In accordance with section 134 (3) (a) and section 92(3) of the companies Act, 2013 read with relevant rules, an extract of annual return in form MGT-9 as on 31st March, 2019 is appended to the Directors' Report. The extract of Annual Return is available at http://www.shipindia.com/investor-relations/Notice_shareholders.aspx

2.4 Subsidiaries and Associates

Your company has one subsidiary Company and has six Joint Ventures. Investment in subsidiary "Inland and Coastal Shipping Limited" was done on 29th September 2016. It is a wholly owned subsidiary of your company. Pursuant to section 129(3) of the Companies Act, 2013, a statement containing salient features of our subsidiary and associates companies in form AOC-1 is appended to the Director's Report.

In accordance to section 136 of the Companies Act, 2013 the Audited Financial Statements of the company are available on our website www.shipindia.com.

2.5 Particulars of contracts/arrangements with related parties

Particulars of contracts/arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2, is appended to the Director's Report. The details are also available in Note 30 under 'Notes to Financial statements'.

2.6 Particulars of Employees

In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5th June, 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.

As per Ministry of Shipping's letter no. SS-11013/1/2017-SU dated 22.11.2018, SCI was directed for implementation of pay revision of Staff Members w.e.f 01.01.2017 . The same was implemented in December 2018.

2.7 Company's Policy on Directors appointment and remuneration

The terms of Directors appointment and remuneration are fixed by the Government of India.

Details of Presidential Directives issued by the Central Government and their compliance during the year and also in the last three years are as follows:

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

2.8 Risk Management

SCI has approved Risk Management framework and risk register to build up a strong Risk Management Culture within SCI in achieving company's goals and objectives. The entity level Risk Assessment includes;

i) Strategic Risk
ii) Operational Risk
iii) Financial Risk
iv) Compliance Risk

In specific SCI has identified risks which includes volatility in freight rates, bunker procurement exposure, delay in revenue transfer etc. In SCI, concerted efforts are made for mitigating / containing and controlling risks.

2.9 Conservation of Energy, Technology Absorption

The information pertaining to conservation of energy, technology absorption is forming a part of the Management Discussion and Analysis Report.

3.0 Foreign exchange earnings and outgo

(₹ in crores)

Particulars	**2018-19**	**2017-18**
Foreign exchange earned*	4035.27	3459.77
Foreign exchange outgo*	4221.69	3767.53

* includes deemed foreign exchange earning and outgo.

3.1 Expenses on entertainment, foreign tours etc – FY 2018-19

During the year under report, your Company spent Rs.35 lakhs on entertainment, Rs. 90 lakhs on publicity & advertisements and Rs. 347 lakhs on foreign tours of Company's executives.

MANAGEMENT DISCUSSION AND ANALYSIS

As per addition of new sub clause (i) under clause 1 in Part B ('Management Discussion and Analysis) of schedule V of SEBI (LODR) Regulations, 2015, the Company has identified the following ratios as key financial ratios :

Particulars	**Standalone**		**Consolidated**	
	2017-18	**2018-19**	**2017-18**	**2018-19**
Debtors Turnover	5.3	6.2	5.3	6.2
Inventory Turnover	7.4	8.0	7.4	8.0
Interest coverage Ratio	1.16	0.70	1.28	1.07
Current Ratio	0.71	0.61	0.71	0.61
Debt Equity	0.61	0.53	0.60	0.51
Operating Profit Margin (%)	-0.03	-0.07	-0.02	-0.06
Net Profit Margin (%)	0.07	-0.03	0.09	-0.02
Return on Net worth (%)	3.58	-1.75	4.24	-0.87

Ratio – Details of Significant changes and explanation thereto:

1) Interest coverage Ratio - Interest Coverage ratio for standalone has come down to 0.70 in F.Y. 2018-19 as compared to 1.16 in F.Y. 2017-18. This is due to increase in finance cost from Rs. 17979 Lacs in F.Y. 2017-18 to Rs. 24586 Lacs in F.Y. 2018-19 whereas EBIT is reduced to Rs 17101 lacs in F.Y. 2018-19 as compared to Rs. 20927 in F.Y. 2017-18. Finance cost is increased due to variation in Exchange rate and Libor rate while EBIT is decreased due to high cost of services rendered.
2) Operating Profit Margin (%) - Operating Profit Margin Ratios is decreased as revenue from operation is increased from Rs. 346947 lacs in F.Y. 2017-18 to Rs. 392586 Lacs in F.Y. 2018-19. However, Operating loss for standalone has increased to Rs. (29308) lacs in F.Y. 2018-19 from Rs. (11852) lacs in 2017-18 and Operating loss for consolidated has increased to Rs. (23376) lacs in F.Y. 2018-19 from Rs. (6577) lacs in 2017-18 due to increased bunker cost and exchange loss impacting operating profit Margin adversely.
3) Net Profit Margin (%) - Net Profit Margin shows significant change as there was reversal of tax expense (DTL) of Rs 28427 lakhs in F.Y. 2017-18 when compared to F.Y. 2018-19 which resulted in increased net profit/return of F.Y. 2017-18. Also, increased bunker cost and exchange loss in F.Y. 2018-19 impacted net profit Margin adversely.
4) Return on Net worth (%) - Net profit has declined from Rs 25375 lakhs for the F.Y. 2017-18 to Rs (12199) lakhs for the F.Y. 2018-19 for standalone and from Rs 30650 lakhs for the F.Y. 2017-18 to Rs (6266) lakhs for the F.Y. 2018-19 for consolidated for the reasons as explained above in Net Profit margin.

The overall scenario under which the Shipping industry operated and which impacted the various segments is discussed below.

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

i) World Scenario

The world GDP grew by an average of 3.6% in 2018, compared to the economic expansion of about 3.8% in the previous year. The growth estimates are expected to remain flat for 2019-20. The subdued growth forecast for 2019 has been arrived at on the basis of multiple factors, viz. trade conflict between US and China, uncertainty continuing to persist about Brexit, strain on macro-economic factors in Argentina and Turkey, conservative tilt in credit policies in China, disruption in German automobile sector and ongoing normalization in financial policies of advanced economies leading to overall tightening of global financial flows. The growth outlook for 2019, even though predicted to improve from a weak first half, still carries with it many downside risks, which could hamper the expected recovery in second half of the year. In advanced economies, the economic growth is expected to be subdued till the end of 2019, on account of the continuing trade battle with China & many systemic drags looming over the European economies. Meanwhile, EMDE (Emerging Markets and Developing Economies) are expected to grow by 5% in 2019. However, there are many inherent risks in this forecast due to factors such as possibility of subdued commodity prices, weakened trade cash flows due to slower expansion in advanced economies.

Increasing presence of India & China in the world trade warrants a special mention as these two rising powers continue to grow; they stand to leave an increasingly large footprint on the world stage. China has also put more weight behind the stimulus now that it has to balance the negative impacts of US imposed trade tariffs. Such factors are expected to soften the global expansion in 2019. In the year 2020, the world output is expected to come back on track, with growth returning to 3.6%. This may happen due to stabilization in emerging economies such as Argentina and Turkey, and stronger performances by Indian & Chinese economies. Also, other contributory factors like improved investment sentiment and reductions in drag-like situation in European area are likely to support the return of global growth to normalcy in 2020.

ii) Global GDP

According to IMF, Global Trade Volume growth (goods & services) has been 3.8% in 2018 and is expected to shrink to around 3.4% in 2019. In developed countries, the trade volume growth is expected to remain subdued, at an average of around 2.8%. The trade in euro area slowed down more than expected to 1.8% and is expected to lose momentum further, owing to various country-specific problems being faced by European economies. German automobile market was depressed, in part due to delays in declaring new emission standards for diesel engines. While in France, retail sales & FMCG spending took a hit due to recurring street protests. The United Kingdom economy is still facing a very real threat of a possible No-Deal Brexit aftermath. While in some countries (especially Italy), sovereign banks are under extreme pressure. Japanese economy also remained soft on the backdrop of natural disasters. One silver lining was the US economy, which remained robust supported by strong consumption based growth.

In the EMDE (Emerging Markets & Developing Economies) area, the growth in trade volume during the year 2018 was 4.6% in imports & 4.0% in exports. China, a major contributor to the global economy, saw its growth decline due to impacts of trade restrictions imposed by US, and tightening of the country's fiscal policy leading to weak investment sentiments. The correction in macroeconomic imbalances resulted in muted prospects of economies of Argentina and Turkey. The aggregate trade volume outlook in EMDEs remained weak and growth forecast remains cautious, as there are many downside risks to economic and trade recovery. Overall, the world's total trade volume is forecasted to grow by 3.4% in 2019, on the backdrop of widespread underperformance in recent quarters and impending risk masking the prospects of a swift recovery.

Statistics-wise, IMF's World Economic Outlook states that global trade volume will expand by 3.4% in 2019 and gather momentum thereafter to 3.9% in 2020, as against 3.8% in 2018.

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

iii) Seaborne Trade, Fleet & Market

Globally, the seaborne oil trade (for both crude & refined products) exhibited a growth of 1.58% in 2018 as compared to 2.76% growth in 2017. Within the seaborne oil trade development, the 'Crude oil' trade increased by 1.4% with total figure at 2,384 million tons in 2018, whereas, 'Product trade' (excluding Fuel Oil) was at 702 million tons in 2018, increasing by 1.5%. The crude & product tanker fleets expanded by 0.8% & 0.4% respectively in 2018 (when calculated by gross dwt), as compared to figures of 4.8% & 5.6% during the previous year. Crude & Product Tanker markets are expected to be bullish in the second half of 2019 as charter rates go higher owing to strong growth in diesel trade due to the 2020 IMO regulations and seasonal firm demand towards the end of the year. Additionally, some vessels going to shipyards for fitment of scrubbers will further tighten tonnage availability resulting in an upward scenario for the shipping market.

The dry bulk trade showed a moderate growth of 2.3% in volume over the course of the year 2018, and the forecasts are quite optimistic as the increase in manufacturing activity in China indicates positive views on the dry bulk trade. Revised upward economic outlook and the significant growth in manufacturing sector in China are forecasted to be key factors driving the dry bulk trade. The total dry bulk fleet growth rate was about 2.9% in 2018, which is moderately lower than that in 2017 which was 3.73%. The shrinking bookings and IMO 2020 regulations ensuring inflations in operating costs of aged ships indicate an upturn in the dry bulk market, owing to scrapping of older tonnage, as tonnage demand increases provided cargo growth is maintained.

iv) Indian Scenario

As per Central Statistics Office (CSO), Indian economy grew by a moderate 6.8% (estimated) in FY 2018-19, as compared to the growth rate of 7.2% in 2017-18. The growth numbers have exhibited a downward trend due to the strain caused by multitude of long-term structural economic changes. The agriculture/farming sector exhibited a subdued annual GVA (Gross Value Added) growth of 2.9% in 2018-19, while the sector had registered 5.0% GVA expansion in the earlier period. The power and utility sectors (Electricity, Gas, Water Supply and Other Utility Services) also posted an estimated GVA growth at an annual rate of 7.0% in 2018-19 as compared with 8.6% growth rate in the previous year 2017-18.

According to sources from Ministry of Commerce, India's exports in value terms improved significantly by 8.75% in 2018-19 while imports also surged up significantly with a spike of 10.41%. One of the main reasons of imports surging up is the increase in fuel prices over the year. As per Press Information Bureau & Indian Port Association (IPA), the quantum of Cargo Traffic at India's 9 major ports rose by 3.77% in the period April 2018 to December 2018 i.e. cargo traffic rose to around 518.6 million tons in the period April 2018- December 2018 period, as compared to 499.7 million tons in the corresponding period in the previous year. Looking at commodity-wise breakdown of cargo traffic, the largest commodity group in the total traffic was P.O.L.(Petroleum, Oil & Lubricants) with around 33.20% share, followed by Container traffic at 20.8%, Thermal & Steam Coal at 15.09%, 'Other Misc. Cargo' (10.48%), Coking & Other Coal (8.27%), Iron Ore & Pellets (5.75%), Other Liquid (4.23%), Finished Fertilizer (1.23%) and FRM (0.94%) respectively. This improvement in import performance is the result of many measures initiated by the Ministry of Shipping focused towards performance of the ports. These include mechanization of the terminals, focus on improving the TAT (turn-around time), introduction of new processes & practices for quick evacuation of cargo, thrust on coastal transportation, expansion/modernization of infrastructure and skill development of employees. On the other hand, the existing non-major ports, especially private ports, continue to grow due to factors such as a diversified cargo portfolio, superior operating efficiency and contemporary infrastructure, and the presence of captive cargo streams.

v) Strengths

Years of experience in Shipping together with diversified fleet across all major segments gives SCI an unique ability to exploit demand growth in any given segment with a quick-mover advantage on the peak of learning curve. New acquisitions have brought down average age from 18 years in 2007 to about 10.08 years presently. Longstanding COA relationships with major Indian Oil Refineries offer cargo security & employment assurance for major part of the tanker fleet.

vi) Opportunities and Threats

In the tanker markets, the crude tanker freight rates are expected to remain flat for next two years. Although the fleet is expected to rise, the rise in crude tonnage demand is supposed to render the improved freight rates to the owners. This bullish scenario is conceptualized basis following 4 major factors: upwards trend in US crude oil production giving boost to ton-mile demand, increased refinery runs as refiners seek to build diesel oil inventories ahead of impending IMO regulations, reshuffling of old and obsolete tonnage as owners gear up for upcoming IMO regulation, and signs of improved tonnage utilization as traders and oil producers turn towards increased floating storage of extant fuel oil expecting sharp decline in its demand. However, there are multiple caveats to this bullish outlook. Major ones amongst them are: escalations in trade tensions between US and China, a stricter US stance on Iran & Venezuela sanctions, continued civil unrest in Libya and the multilateral effects of IMO regulations.

In the dry bulk market, the earnings are expected to rise across all segments for the next 2-3 years. The demand - supply balances in this market are looking quite healthy. Drewry has maintained their optimistic forecast for the coming year, while also citing a few probable risks which could halt the positivity. The parameters supporting optimistic freight levels include shrinkage in tonnage on the face of looming IMO regulations and a healthy growth in dry cargo demand. Even though the higher rates couldn't materialize in the first half of 2019 due to multiple supply disruptions across the globe owing to natural calamities, most of the cargo loading zones are returning to normalcy and are expected to resume full scale operations in the second half of 2019. One of the major factors as well as the underlying assumption to the upward-trending forecast is the resurgence of Chinese demand. The de-escalation of tensions between US and China is expected to provide a trade boost, thereby generating dry bulk demand.

Also the Chinese government has announced yet another stimulus package, which will positively impact the country's steel and iron ore demand. China being a major player in the dry bulk market, the growth in Chinese production activity signals handsome growth in dry bulk trade. The owners remain optimistic of the dry bulk markets, while being cautious to the inherent risks.

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

In Indian context, the economy is on the growth track and many government initiatives & schemes, on giving a boost to manufacturing sector, have started to kick in. These factors will translate into a robust oil demand, lending a strong hand to import parcels into the country as well as coastal movements. SCI is uniquely positioned to cater to these trades and reap benefits therein.

Rising inequality, weak investment and rising protectionism in trade offer a huge challenge to the long-term global growth. The return of cyclical monetary policy tightening in European economies, adverse impact of aging population & hence reduced productivity on GDPs of European countries and Japan, the near-constant inflationary pressures hampering growth prospects, looming threat of a no-deal Brexit, unpredictability in US foreign policy as well as timid growth in crude oil demand remain the major macro risks. Also, the possibility of eruption of simmering geopolitical tensions in various regions across the globe poses a significant threat to the economic activity & as such present a significant macro risk. The recent US decision to re-impose sanctions on Iran will marginally disrupt the oil trade requiring the other producers to fill in the gap in oil production and may also result in increased crude oil prices. The rising crude oil prices have strained the economies of oil importing countries in both Africa & Asia who in turn may be forced to cut subsidies and this may consequently hurt secondary demand.

B. SEGMENTWISE FLEET & MARKET STUDY

a) Crude Oil & Product Tankers

In the year 2018 the global consumption of Crude Oil registered a marginal increase of 1.30% to 99.15 mbpd (million barrels per day) over the previous year. It is forecasted that the oil demand growth shall show rising trends over the next 3 years.

The Indian crude oil demand has been steadily rising over the year 2018, at around 4.4 mbpd levels. The rise in crude oil imports of India indicates a busy production activity in the country. The oil demand of the country is likely to grow as the economy gathers pace, but crude oil price increase could be a dampener. While OECD oil demand/consumption is expected to be at subdued levels as that of previous years, China & Asia's oil demand is expected to grow at a good pace.

US domestic crude output is likely to increase by about 1 mbpd in 2019, a rise of strong 9.09% over the year. In case of US, the attractive oil prices due to OPEC production cuts, combined with supply problems of its neighboring oil producer Venezuela, will motivate the country to keep its production at high levels. Strong production activity shall also put a dent in US net imports. Meanwhile, OPEC countries & their non-OPEC allies again restricted their production in 2018, on account of further cuts by Saudi Arabia and steep losses in Venezuela. Both these phenomena, along with increase in domestic US production may result in increase in US oil exports, which would boost the tanker ton-mile demand.

The improving tonnage demand-supply situation and some tonnage being taken out from market to cater to IMO 2020 regulations is bound to have a positive effect on freight rates and same is reflected in the forecasts. The average spot rate yield (TCE) of TD3 route of AG/East for VLCC was US$ 21,400/day in 2018. The future market in this segment seems to be in the range of US$ 25,500-28,000/day, impacted significantly by rising US production and increasing crude oil demand in Asia and Middle East, on account of recent refinery capacity enhancements in the region. One Year TC rate for VLCC was about US$ 23,800/day in 2018; with a sharp upwards trend being predicted in the next two years. The Suezmax rate yield on West Africa – North West Europe (TD20) route was about US$ 11,400/day in 2018 which is expected to climb up by about 38.60% year over year. For Aframax, the spot rate on AG/Far East route (TD8) was US$7,000/day. These freight levels were weak, but a significant rise is expected in coming years across all segments, offering a much needed relief to the crude tanker owners. For Product tankers, LR1 Spot rate on AG/East route (TC5) was US$ 8,000/day in 2018 and expected to exhibit a quite sharp upward trend in 2019 & 2020. One year TC rate for LR1 was US$ 13,400/day in 2018, which is an improvement over last year's rate, however still not enough for owners to earn sizeable profits. In MR tankers, on US Gulf/UKC route the spot rate was as low as US$ 2,200/

day in 2018. One Year TC rate for MR tankers was US$ 13,300/day in 2018 and is expected to be around US$ 13,800/day over the next year.

The product tanker market also renders a bullish outlook on the basis of expected demand surge in diesel oil trade and situational constriction of tonnage due to clean tanker owners opting to briefly take their vessels out of trading for fitment of scrubbers. The bullish forecasts are supported by IEA's (International Energy Agency) estimates of continued year-on-year rise in global oil demand.

Your company has five VLCCs which were mainly employed on a mix of COA voyages & spot voyage charters with Indian as well as foreign charterers. The COA voyages earned reasonable returns, while spot trades faced the wrath of highly depressed markets. Your Suezmax tankers were predominantly deployed with the Indian oil industry and performed COA voyages under the HPCL COA and spot voyages for other Indian charterers. MT Desh Shakti was employed under a time charter with Indian oil PSU. Older Suezmax vessels however, faced a few problems in load port acceptances. The COA earnings are based on AFRA, which has been low to moderate. The time charter and spot voyage rates compare well with market benchmarks.

Five LR-I tankers of the Swarna series were employed on Indian coast, catering to coastal crude movement of the Indian oil industry. They also had a few other kinds of employment such as lighterage operations, FPSO loadings and floating storage etc. Their earnings compare well with market levels. Another LR-I tanker MT Swarna Kaveri was used as a CPP tanker for Product cargoes. It was employed with Scorpio LR1 pool.

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

The three MR product tankers in the Swarna series were gainfully employed with Indian as well as Foreign charterers and their earnings are comparable with the market. MT Swarna Mala was deployed on Spot voyages with foreign charterers for long periods during the financial year. MT Swarna Kalash and MT Swarna Pushp were deployed along Indian coast, employed in a profitable mix of time & voyage charters supporting coastal product movements.

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

Earnings of your coiled / double hull Aframax tankers were in line with markets, along with the average of benchmark yields under TD8 (Arabian Gulf to Singapore) and TD14 (Indo-Australia) routes on the back of COA voyages and triangulation spot voyages owing to intermittent fuel oil arbitrage trades which minimized ballast voyages. The Aframaxes mainly performed India centric – AG / Far East / Red Sea voyages.

Outlook

Tanker trade is currently undergoing a paradigm shift. OPEC's decision to continue the production cuts, upcoming big increases in the refinery capacities of Middle East and Asia, and rise in US exports due to increased oil prices are some of the major factors which will have significant impact on tanker markets. Rising Asian oil demand shall mean a lot of tonnage shift in that region. Also, US crude oil production is forecasted to increase; hence there will be a spike in US crude exports for near future. Meanwhile rise in Middle Eastern and Asian refinery capacities shall mean a lot of inwards cargo flows being generated in these regions. The ship owners who plan accordingly and position their ships smartly in prospective basins will stand to reap benefits of positional advantage.

The looming IMO 2020 regulations present a challenge as well as an opportunity. The bunker composition change shall generate new demand for Diesel Oil, which mean shifting prominence of established trade routes and formation of some new trade routes. The demand-supply balances are looking reasonably optimistic, thereby offering an opportunity for ship owners to earn handsome returns, provided they operate their fleet efficiently. Due to change in bunker mix owing to IMO 2020 requirements, there will be stockpiling of Diesel Oil and shedding of high sulfur Fuel Oil, which is supposed to generate new cargo flows. Since, Asia & especially China are growth drivers for the product oil demand, trade routes of MEG-SEA, AG-Far East may get lot of employment, especially for Clean MR & LR-I tankers.

With its diversified and modern tanker fleet, your company's vessels stand to secure plenty of gainful employments and the company is well-equipped to withstand contingent market pressures.

Risks and Concerns

The most flagrant cause for concern across all segments of tankers and bulk carriers is the paradigm shift to be caused by IMO 2020 regulations. The fate of a lot of ships will depend on implementation and enforcement framework adopted by IMO. Apart from IMO regulations, the major factors affecting the seaborne trade are mostly geopolitical. The cancellation of waivers by US for trade with Iran, possibility of tensions re-erupting between US and China, continued crisis in Venezuela hampering its oil production and ongoing civil unrest in Libya could hamper overall global trade. This would put a strain on tanker trade, bringing the freight levels down. Also, there are secondary factors such as decrease in European refinery runs, increasing use of pipelines by Russia to export oil.

On products trade front, the threat to oil demand due to geopolitical issues may hamper the trade. The compatibility of vessels with new bunker grades needs to be tested. Possibility of oil movement slowdown due to various trade skirmishes threaten to spoil the party for product tanker owners.

b) Dry Bulk

The benchmark, Baltic Dry Index (BDI) rose marginally to an average of 1252 in 2018-19 against an average of 1204 in 2017-18 registering a moderate 3.99% increase, reaching its highest average monthly value in August 2018

When compared to 2018, dry bulk trade is set to exhibit a trade growth of 1.40% in 2019, with ton-mile demand growing by an estimated 2.03%. The dry bulk global trade is expected to grow on an average of 1.5 - 2.3% for subsequent 3 years. The dry bulk market has been underperforming for the past several years, but for the recent 3 quarters or so. Naturally, this has put a strain on newbuilding orders over the years & the resultantly the fleet growth has slowed down, which has been beneficial for rate levels. In the year 2019, it is projected that 221 dry bulk ships will be sold for demolition as against 61 dry bulkers in the previous year. Such high scrapping numbers are mostly because of impending IMO 2020 regulations and reduced fleet size is an encouraging sign for future dry bulk market.

With regards to trade of dry bulk to and from India, since the indigenously produced iron in China is not of sufficiently high grade, the country's imports of iron are set to rise, giving boost to ton-mile demand in the region. The probability of demolitions of older tonnage on account of looming IMO's Ballast Water Management System & revised SOx emission guidelines, may further improve the demand-supply balance, lending a supporting hand to the rates.

With regard to Non-Coking Coal, India's imports are predicted to remain constant, from the levels of 172.96 million tons in 2018 to a forecast of around 183.31 million tons for 2019.

India's urea imports stood constant, recording a meager 0.1% decline year on year to 49.83 lakh tons last fiscal (data available from April to December 2018) on the basis of steps taken by the government to increase indigenous fertilizer production. The country, which is among the world's top three consumers of urea, produces about 22 million tons urea as against the annual domestic demand of about 30 MMT. India imported 4.983 million mt of urea in first 3 quarters of fiscal 2018-2019. Urea movements into India, which is a key cargo for dry bulk vessels and is part of minor dry bulk commodities, has for the last few years been a "supporting trade" for bulkers ranging from Handysize to Panamax.

Grain trade provided a positive support to the dry segment during the FY18-19. Seaborne trade (imports) of major grains remained constant, recording a negligible decline of 0.3% in the year 2018, with major exporters being USA, Australia, Canada, Russia, Argentina and European Union. On demand side, encouraging trends are there with factors such as growing population, increasing demand from Asian & African countries & increase in ton-miles in the grain trade.

Global steel production is projected to increase by 2.55% in 2019 with strong production from China, India, EU and other countries. The causes of this growth in steel production are overall increase in industrial activity, rise in Global GDP & rise in steel-intensive sectors such as construction & automobiles. India's steel production is expected to grow at the fastest rate among major steel producers. In 2018, India has become the 2nd largest steel producer in the world.

In the year 2019, One-year Time Charter rate of Handymax is projected to be US$ 9,400/- PDPR, whereas for Supramaxes the same is US$ 11,100/- PDPR. In the Panamax segment, the one-year TC rate in 2019 is forecasted to be US$ 11,100/- PDPR. In the upcoming years, the freight rate estimates exhibit an upward trend, with market forecasts showing handsome increases year-on-year.

The company's dry bulk fleet now comprises of eight modern Supramax vessels of around 57,000 dwt each & seven modern Panamax / Kamsarmax dry carriers of around 80-82,000 dwt as on 31st March, 2019. The bulk carriers fleet is very young with an average age of about 7 years. The earnings of our dry bulk fleet were in line with markets. Our dry bulk carriers were also employed on Indian coast with a few coastal time charters & voyage charters, whose earnings compare well with markets. In order to maintain a healthy cash flow, your company preferred fixing the bulk carriers on trip time charter and short-to-medium term time charters.

Outlook

It is fairly optimistic outlook of the dry bulk markets. The freight levels are expected to be on the rising trend. There is a significant upside to the dry bulk trade as even though there were many disruptions to the dry bulk loadings in the first half of 2019, still the markets maintained reasonably good freight levels. This trend was aptly reflected in BDI in Q4 of 2018-19. BDI opened higher at 1271, and then fell sharply to 595 due to supply disruptions; however it again recovered due to overall positive trend in markets. China plans to boost its economy via a stimulus package to offset the ill-effects of the high trade tariffs imposed by US. The effects of stimulus announcement are already being felt as there is a definite buzz in the Chinese production sector. This is huge opportunity for all the dry bulk owners worldwide. Also, a lot of tonnage is predicted to be offloaded since it would not be economical for much of the older tonnage to operate the vessels profitably, in light of IMO 2020 regulations.

The resurgence of some loading areas is a welcome development in the dry bulk trade. The Brazilian iron ore exports are expected to spike during the next few quarters as approvals from authorities have been obtained. The supply disruptions in Australia and Mozambique are on the path to complete resolution as full resumption of operations is now in sight. The port of Kamsar in Guinea is expected to emerge as a major exporter of bauxite, driving a lot of vessel movement from the West Africa region and this would give a boost to ton miles. Strategically positioned vessels to avail these trade opportunities would provide healthy returns to dry bulk carrier owners.

India's continued push to phase off pet coke has caused a big spike in its coal imports in the recent years. The Indian coal imports are expected to rise coming year too. This is a welcome development for our dry bulk ships, which are hauling a good chunk of the import coal cargoes for India.

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

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

Risks & Concerns

In the dry bulk segment, although the freight levels are on the upside the oversupply has not completely vanished yet. There is always a possibility of local oversupply situation in some regular trade routes. Continued occurrence of local volatility is liable to adversely impact the rates. Additionally, the declining cost of renewable energy & its growing acceptance & compatibility remains a concern for the traditional coal importers. In India, Coal India, which is the major coal producer, continues to increase its domestic production and this thrust to reduce coal imports might adversely affect the seaborne coal trade to India. More recently, the high tariffs by the US on its Chinese imports & subsequent retaliatory steps initiated by China may hamper a lot of the dry bulk trade.

Also, natural calamities had caused loading disruptions in a lot of regions in the globe, affecting major loading hubs in Australia, Mozambique and other West African countries, thereby affecting the resultant dry bulk trade. Advent of renewable energy-centric policies & use of renewable energy sources as a means of mass-scale production, poses a significant threat to the dry bulk trade. Many countries are shifting focus from traditional energy sources towards renewable sources & are actively taking strategic initiatives for the same. This will not only reduce the demand for shipping of traditional energy sources like coal & oil, but bring their prices down which will make extant shipping costs unviable. This puts a question mark on future of traditional dry bulk cargo like coal.

IMO 2020 is on the horizon and the concomitant regulatory changes pose a major concern to all dry bulk owners globally. The high cost of scrubbers and uncertainty around rate of return on investment, uncertainty around availability of IMO compliant bunkers and costs of bunkers in the near future constitute major risks for dry bulk carrier operators.

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

Supply disruptions due to natural calamities (for example, cyclone Veronica in Australia, Idai in Mozambique) as well as geo-political issues (US-China trade skirmish, delays in obtaining authority approvals for starting operations of Brazilian iron ore mines) could put a strain on cargo stem availability. Limited cargo stems could put pressure on freight levels.

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

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

The absence of long-standing COAs & similar assured business opportunities stand to make your company's dry bulk trade volatile & open for adverse impacts by the market forces. One more aspect that may turn charter rates volatile is delayed scrapping of the vessels (especially older tonnage), on account of temporary spikes in freight rates, which could lead to recurrence of over capacity situation in the market.

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

LNG Transportation

LNG is playing a major role in the energy markets with many countries turning to natural gas to meet their energy needs. LNG trade has increased from 100 million tonnes in 2000 to 319 million tonnes in 2019.

50% of the global LNG demand growth upto 2035 is expected to come from Asia, with the traditional demand centres remaining relatively stagnant. With the increasing thrust on cleaner fuels, the Asian markets have seen rapid increase in the usage of liquified natural gas (LNG) in 2018, with the global demand for LNG increasing by 27 million tonnes. Pursuant to the increased environmental measures, Chinese imports alone surged by 16 million tonnes in 2018, up by 40% from 2017. The global demand is expected to rise to 384 million tonnes by 2020.

DIRECTORS' REPORT

On the supply side, Australian LNG exports are catching up with the long time leading supplier Qatar and are expected to rise by 10 million tonnes in 2019.

Global LNG supply is expected to rise by 35 million tonnes in 2019. Both Europe and the developing economies in Asia are likely to absorb all the additional supply. Investment in new supply projects is picking up, however given the rapid and continued rise in the demand, supplies need to increase pace.

With a situation of over-supply of LNG ships, increased competition and ever changing market dynamics, LNG buyers tended to sign shorter, smaller and flexible contracts from 2014 through 2017. However new LNG projects require long-term LNG sale agreements to secure financing, and in order to enable developers to go ahead with new projects, the mismatch needs to be resolved. Encouragingly the average length of the contracts signed by LNG buyers increased from about 6 years in 2017 to about 13 years in 2018. And the global contracted volume has more than doubled to 600 million tonnes in 2018.

Global proposed liquefaction capacity has reached 875.5 MTPA, with majority in the US and Canada. The global regasification capacity has continued to increase to 851 MTPA in 2018.

The LNG players are simultaneously looking at alternate options such as Floating Storage Regasification Units (FSRUs), Small LNG carriers for coastal LNG shipping, Floating Liquefied Natural Gas (FLNG) carriers etc for quickly addressing the growing demand. Three FSRU projects with regasification capacity of 84 MTPA came online in 2017. In 2018, about 7 FSRUs are under construction for projects in new markets like Bahrain, Bangladesh, India and Panama.

India is targeting to raise the share of natural gas in energy mix to 15% from current 6% by 2025, and for increasing imports the import terminal capacity is expected to double to 47.5 MTPA by 2022. Reducing carbon emissions by increasing use of LNG as a transport fuel is on the priority list of the government and is working in line for setting up the required infrastructure.

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

Your company has built up a pool of trained LNG officers and the experience of independent technical operation of LNG tankers has helped to provide ship management services. Your company is jointly working with one of its Japanese partners, and will start training its LNG officers on construction and operations of FSRU from 2019. SCI superintendents have been posted at Korean shipyard for supervision of an under construction FSRU.

SCI and GAIL had signed a Memorandum of Understanding for cooperation in transportation of 5.8 MMTPA LNG sourced by GAIL from U.S. terminals. In line with the objectives under the MOU, SCI has been awarded two contracts, one for assisting GAIL in In-Chartering of LNG ships and the other for Post-fixture Management services to GAIL for their In-chartered vessels which will be carrying LNG from USA to India. The initial contract is for a period of three years effective from 2018. This collaboration between GAIL and SCI aims to augment the natural gas supply through LNG imports.

NTPC Vidyut Vyapar Nigam (NVVN) is coming up with a 50 MW LNG based generation plant in the south Andaman Island, estimated to be operational by mid of 2020 . The plant will be operated through Duel Fuel ie. LNG (sourced from FSRU) or HSD (sourced from IOCL). NVVM is due to come with a tender shortly inviting bids for providing end to end logistics and LNG to the power plant being planned in Adaman & Nicobar islands. The project infrastructure would need construction of a terminal & jetty structure, Floating Storage & Regasification barge (FSRB) and a small-scale LNG carrier about 10,000-20,000 m3 to load LNG from Indian/overseas terminal for discharge at Port Blair. SCI given its experience in operating LNG ships and terminals, is interested in operating the terminal, the FSRB and the small LNGC, in addition to being an investor in the project. SCI is joining hands with Indian and Overseas partners to form a Consortium which will endeavor to participate in ensuing tendering process..

KLPL Terminal Management

Your company has successfully performed the Port and Marine Services Contract at the KLPL Dabhol Terminal for further 4 years i.e. 2015 – 2019. The SCI team successfully handled 72 LNG tanker calls at the Dabhol LNG receiving terminal and the total imported LNG under the contract stands at 13.24 million cbm. The contract is due for renewal.

LPG Carriers

Continued rise in usage and penetration in rural areas has resulted in average growth of 8.4% in India's LPG consumption, making India the second largest LPG consumer in the world at 22.5 million tonnes. As per the projections, the Indian LPG consumption is expected to grow to 30.3 million tonnes by 2025 and 40.6 million tonnes by 2040. SCI is exploring the possibilities of acquiring additional LPG carriers which would serve the Indian demand. Informatively SCI had acquired VLGC Nandadevi in 2017 to ensure SCI's continued presence in the LPG segment.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the tanker segment has been largely influenced by low earnings on the VLCCs, Suezmax and Aframax segments where SCI has had a mix of cross trade charters, market linked Contract of Affreightments and Time charter businesses to effectively hedge employment and earnings risks. On the smaller segment product carriers and LR I dirty carriers; the employment was mainly to meet the domestic product and indigenous crude movements on long term contracts and time charter business. Positive geographical concentration in niche coastal business segments has ensured positive returns. However, with globally weak tanker markets, there was strong competition in coastal & product trades which limited earnings to some extent. Internationally, a sharp fall in market across the company's usual trade routes resulted in very low earnings. Also, a noteworthy chunk of potentially lucrative earnings opportunities was lost due to vessel related incidents and technical issues on the vessels. As a result of the weak market the tankers segment gave a very subdued performance.

The dry bulk segment is still recovering from historically bad period and loss of key cargoes such as Iron ore from India resulting in non-profitable ballast voyage legs thereby reducing earnings. Although some relief was offered by coal cargoes & minor bulks as well as profitable coastal trades, earnings remained subdued & close to break-even levels due to low freight markets, especially in the latter part of 2018. Few profitable trades emerged during the year where dry bulk charter rates went into profitable levels, but this upturn was short-lived & the markets stabilized to their depressed levels, which are currently below profitable levels. The dry bulk segment therefore had a lackluster performance financially, however the same is showing potential for good earnings in view of lower rate of fleet growth and projected rise in dry bulk trade.

2 LINER & PASSENGER SERVICES

A Industry Structure & Developments

i) World Scenario:

The Shipping industry is undergoing structural changes affecting almost all segments within the industry and impacting the foreseen new building requirements towards year 2035. Apart from ongoing technological advancements and increasing regulatory pressure on the industry, the geopolitical situation, slowing pace of overall seaborne trade growth and general global economic uncertainties have also affected the forecasts.

While the prospects for seaborne trade are positive, these are threatened by the trade wars and increased inward-looking policies. Escalating protectionism and tit-for-tat tariff battles may potentially disrupt the global trading system which underpins demand for maritime transport.

Consolidation activity in liner shipping continued unabated i.e the liner shipping industry witnessed further consolidation through mergers and acquisitions and global alliance restructuring.

As of January 2018, the top 15 shipping lines accounted for 70.3% of all capacity. Their share has increased further with the completion of the operational integration of the new mergers in 2018, with the top 10 shipping lines controlling almost 70% of fleet capacity as of June 2018. Liner shipping alliances and vessel upsizing have made the relationship between container shipping lines and ports more complex and triggered new dynamics where shipping lines have a stronger bargaining power and influence. Increases in the size of vessels and the rise of mega-alliances have heightened the requirements for ports to adapt. While liner shipping networks seem to have benefited from efficiency gains arising from consolidation and alliance restructuring, for ports, the benefits did not evolve at the same pace. This dynamic is further complicated by the shipping lines often being involved in port operations which in turn could redefine approaches to terminal concessions.

Technological advances in the shipping industry, such as blockchain applications, cargo and vessel tracking, autonomous ships, and the Internet of Things, hold opportunities for the global shipping industry.

ii) Indian Scenario

The Indian ports and shipping industry plays a vital role in sustaining growth in the country's trade and commerce. India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100 per cent under the automatic route for port and harbor construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports. The Indian Government plans to develop 10 coastal economic regions as part of plans to revive the country's Sagarmala (string of ports) project. The zones would be converted into manufacturing hubs, supported by port modernization projects, and could span 300–500 km of the coastline. The government is also looking to develop the inland waterway sector as an alternative to road and rail routes to transport goods to the nation's ports and hopes to attract private investment in the sector. This is expected to boost the coastal shipping and SCI is an active partner in the above projects of GOI. Under the Sagarmala Programme, the government has envisioned a total of 189 projects for modernization of ports involving an investment of Rs 1.42 trillion (US$ 22 billion) by the year 2035.

iii) Strength & Weaknesses

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

iv) Opportunities & Threats

Govt. of India is taking lot of initiatives and is making huge investments to increase the capacity of the Indian ports. Under the Sagarmala Programme, the government has envisioned a total of 189 projects for modernization of ports involving an investment of Rs 1.42 trillion (US$ 22 billion) by the year 2035. Ministry of Shipping has set a target capacity of over 3,130 MMT by 2020, which would be driven by participation from the private sector. Non-major ports are expected to generate over 50 per cent of this capacity. India's cargo traffic handled by ports is expected to reach 1,695 million metric tonnes by 2021-22, according to a report of the National Transport Development Policy Committee. This is expected to result in significant improvement in operating profitability in the future. New operating alliances are expected to contribute by allowing global carriers to further synergize network efficiencies and vessel deployment optimization bringing about higher savings. Improving economic conditions in the US and Europe is expected to boost market fundamentals and support carriers in their effort to restore freight rates. An improvement in liner operating profitability is also expected to act as a catalyst for higher charter vessel demand and higher charter rates. Despite improving market fundamentals, the industry has to overcome challenges in the year ahead due to increase of mega-ship deliveries. The break bulk sector continues to maintain good potential in respect of ocean freight arrangements of General cargoes, Over-Dimensional Cargoes (ODC), Project cargoes, Heavy Lift cargoes etc. on account of the Government Departments / PSUs and other GOI organizations.

B Segment-Wise Performance

1 Liner Vessels: The table below shows the profile of your Company's owned liner fleet having total container carrying capacity of 8800 TEU.

Type of Ships	As on 31.03.2018		Addition		Scrapping		As on 31.03.2019	
	No.	Dwt (MT)	No.	Dwt.	No.	Dwt.	No.	Dwt (MT)
Fully Cellular	3	144500	-	-	1	28902	2	115598

Both container vessels namely, MV SCI Chennai and MV SCI Mumbai are 11 yrs old. As on 31.03.2019, 4 in-chartered container vessels having total Net Tonnage of 64978 MT were operated by your Company. In addition to the above owned and in-chartered vessel, your Company also has cargo loading rights on 19 vessels of its partners in various consortia arrangements that your Company has with leading shipping lines, such as Mediterranean Shipping Company (MSC), Shreyas Shipping etc. to name a few. Your Company continued to deploy its owned / operated Container vessels in the following sectors:

2 Container Services

i) Himalaya Service (Erstwhile ISE Service)

The UK-C Cellular Container Service commenced in 1994 with SCI as a single operator operating three vessels with 1,800 TEU capacities, which was later upgraded to a fixed day weekly service operating with seven vessels of similar capacity. The service, from May 2009, was operated in consortia comprising of two partners viz. SCI and MSC, with eight vessels of which two vessels were contributed by SCI. Since end-Feb 2016, the consortia contribution has been changed to one SCI vessel. This strategic reduction has been done to improve profitability of the service. The service is operated on round voyage duration of 56 days.

ii) IPAK Service

In a slot swap arrangement between SCI and MSC, SCI has been allotted 200 TEUs slots by MSC, which operates IPAK service in exchange for similar slots allotted to MSC on the ISE service.

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

This service was closed in June'2018 and M.V. Chennai was deployed in PIX2 service.

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

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

v) Portblair Services

Your Company started a new standalone service in Dec'2018 with 2 in-chartered vessels connecting Kolkata – Chennai – Port Blair route providing connectivity for cargoes from West and East coast of India to Port Blair.

vi) ECX Service:

Your Company started standalone service in March'19 with 1 in-chartered vessel for providing connectivity for WC / ECI cargoes on Tuticorin / Kattupalli / Krishnapatnam/ Haldia route.

vii) Feeder Operations

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

viii) Slot swap arrangements:

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

ix) Break-Bulk Services

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

x) Domestic Passenger–Cum–Cargo Service:

In addition to International operations, SCI with ten (10) managed vessels (owned by A&N Administration) operates domestic passenger and cargo transportation services between the Mainland and the Andaman & Nicobar (A&N) group of islands and inter-islands, on behalf of the Government of India. Also, 17 numbers of Foreshore passenger vessels of A&N Administration are technically managed by SCI.

xi) Other Coastal Services

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

3 Manned & Managed Vessels

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

Type of Ships	As on 31.03.2018			Additions Nos.	Scrap/ Redelivered (Nos.)	As on 31.03.2019		
	Nos.	Pax. Cap.	Cargo Cap. (MT)			Nos.	Pax. Cap.	Cargo Cap. (MT)
Pax-Cum-Cargo	10	6317	5200	0	1	9	5763	4220
Cargo Ships	1		500	0	0	1		400
Other vessels	17 Foreshore & 8 Research	1,599	100	0	0	17 Foreshore & 8 Research	1,601	250
Total	**36**	**7916**	**5800**	**0**	**0**	**35**	**7364**	**4870**

The pattern of deployment of these vessels is as follows:

- ⇒ Three vessels for carrying Passengers and cargo between the Mainland and Andaman and Nicobar Islands.
- ⇒ Six vessels and One Cargo ship for Inter-Islands run (A&N Islands).
- ⇒ Seventeen vessels for Fore Shore Sector run (A&N Islands).
- ⇒ Eight Research vessels of GSI, NCAOR, NIOT, CLMRE carrying out scientific expedition in the Indian Coast.

C Marketing

SCI's marketing team continues to make regular customer calls through its own offices and also through agents appointed at various ports in India and abroad in order to market its container and break-bulk services. Meetings with the agents are held periodically, and SCI representatives also participate in various trade meets at important locations in India. Your Company has obtained Freight Forwarding and Multimodal Transport Operator (MTO) licenses and continues to use its vast experience and large agency network to render 3PL (Third Party Logistics) services to the customers. This helps your Company to retain the clients while generating additional revenue.

D Outlook

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

E. Risks & Concerns

The prolonged economic struggles of most shipping lines have made the maritime sector more sensitive to risk than other modes of transport. The most common maritime risks have traditionally been relatively predictable: natural disasters, mechanical failures and human error. Now, however, the incredible growth of international trade and the introduction of new technologies mean that shipping industry risks are evolving.

Once seen as a marginal problem for shipping, cyber risk is now considered one of the top threats. Ship data recorders have shown that human error accounts for about 75% to 90% of marine accidents, amounting to more than $1.6 billion in losses. Numbers like these have spurred interest in autonomous ships that could move cargo more safely. In order for this to work, the industry will need to determine how much human backup would be needed to avoid collisions between manned and unmanned vessels.

The most economic and environment friendly mode of transportation is yet to recover from the effects of boom – bust phase of growth and recession triggered by the recession of 2008. Global demand continues to remain weak amidst heightened uncertainty stemming from factors such as trade policy and low commodity and oil prices. The industry continues to suffer from this weak demand and over capacity environment, which has constrained freight rates and dampened profitability in most shipping market segments. Coupled with the international geopolitical developments viz. rebalancing of Chinese economy towards domestic demand, the emerging trade policy direction of United States of America (USA) and looming trade war between China and USA, continued Brexit conundrum, Spiraling Inflation in Venezuela, Political instability in Turkey, Iran sanctions etc. the world economy and trade has been thrown into an uncertain and challenging territory which could put the global trade recovery at risk with inevitable consequences for wider economy.

F. Discussion on Financial Performance With Respect To Operational Performance

Your Company's liner segment registered a loss of Rs. (89.60) crores in FY 2018-19 as against profit of Rs 79.66 crores in 2017-18. The Operating Income reduced from Rs. 676.38 crores in 2017-18 to Rs. 632.63 crores due to reduced volumes and low freight levels. You may like to note that your Company is adopting various cost saving measures accruing to the liner services viz. considerable saving on feeder and transshipment costs by reducing carrying cargoes to non-base ports, better inventory management, control on repair costs of vessels and containers. However, the volumes and freight levels have not favored thereby resulting in losses. Our on time schedule reliability on our services, particularly in Europe sector continues to be very good and comparable or better than the global players.

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

Liner Division is ensuring that General Rate Increases are being strictly implemented keeping in mind the market sentiments and demand-supply gap. Performance of each Container Service is being reviewed monthly from the point of view of profitability. Liner division closed its service on Far East sector as it was in continued losses. Ultra slow steaming planned / achieved on the container ships. Fuel additives are also being used to save on fuel consumption. Liner division has already expanded its Coastal and Feeder Services and is trying for further expansion. SCI's strategy has been to use our Indian Flag ships on these routes when Indian Flag commands a premium and to use Foreign Flag vessels on the other routes. Foreign companies dominate in Indian Sub-continent feeder routes and provide seamless connections. By mutual cooperation with the other Indian Companies through slot exchange, it is envisaged that feedering freight would be retained within the country, which would also help in minimizing the working capital requirements for the Division. Further, ports like Kandla and newly emerging container ports in East Coast of India like Kattupalli, Krishnapatnam and Vizag are offering substantial discounts on transshipment costs and storage charges, and by using these ports optimally, substantial system costs reductions are being achieved. Our focus is to maintain right sized leased equipment inventory to optimum levels to make services sustainable and undertaking firm negotiations with leasing companies and vendors for achieving desired results. Aging inventory is being replaced by the younger fleet at better terms. We are identifying niche sectors to commence new services, like feasibility study been done for intended services viz. Ex-India / Maldives, Ex-India / Myanmar / Bangladesh / Thailand, extending Coastal Services to include Iranian port(s) viz. Chabahar & Bandar Abbas. Other feasibility studies been conducted for services like Ex-India / East African ports. Liner division has slowed down on new acquisitions for now with ISE / Himalaya Service and is continuing to operate with one in-chartered vessel of about 8,500 TEU capacity. No CAPEX expansion planned this year so far. But option are kept open and Division is scouting for second hand vessel(s) if it fits commercial requirements. Engagement with landside Logistics PSU firms viz. CONCOR, Balmer Lawrie, CWC etc. for offering seamless multi-modal services between Inland locations and ports on the Indian Coasts as well as overseas ports. We have also undertaken feasibility study for setting up owned or jointly operated CFS / ICDs for various viable routes and also freight forwarding operations. We are also in discussion with "Inland Waterways Authority of India" for undertaking their commercial operations on NW1 and NW2.

H. Important Developments

Commencement of Portblair services and ECX services by in chartering 3 vessels; 2 vessels are deployed on Portblair services and 1 vessel on ECX service.

I. Information Technology:

SCI has a robust ERP system in place. A Disaster Recovery Site is built at Kolkata office to ensure business continuity during any emergency. Periodic System Audits are carried out on internal controls & cyber security and the recommendations are being implemented. E-tendering platform is being extensively used for procurements, which enable transparency and efficiency in procurement processes. Vendor Bill Tracking & Monitoring system is implemented to have a better control on settling invoices. Systems are GST compliant. New IT system has been implemented to centrally register and track the Vendor invoices seamlessly till the final settlement. The system ensures transparency and efficiency. SCI website www.shipindia.com is completely revamped with a new look and accessibility. Other IT initiatives such as implementation of Business Intelligence Dashboard are being implemented. Hardware refresh project has been kick started to have the latest hardware for a better performance.

3 TECHNICAL & OFFSHORE SERVICES

A) Industry Structure and Developments

i) World scenario

The offshore support vessels industry is dependent on utilization of rigs, E&P activities and other activities in oil fields, which in turn depends upon strategic decisions of energy security by oil and gas producers, shifts in Government policies and long term crude oil price trends. As per industry outlook, global oil demand would continue to grow and is not expected to peak before 2040. The demand for conventional gas is also on the rise in the long term. Offshore upstream capex is set to increase 10% per year through to 2022, driven largely by deep-water spending and offshore LNG projects. The number of offshore rigs under contract rose to 492 in the beginning of 2019, up from 472 in January 2018.

ii) Indian scenario

Historically, India's domestic production of oil and gas has fallen short of its burgeoning energy requirements, compelling our country to rely on imports. In view of stable crude oil prices, there has been increase in import of crude and private players are avoiding any new exploration and discovery activities. Though, there is an increase in consumption of crude by the country over the years, the requirement is majorly fulfilled by import of crude / petroleum products. The country's oil consumption grew from 184.7 million tonnes in 2015-16 to 211.6 million tonnes in 2018-19. In contrast, India's crude oil output fell from 36.9 million tonnes in 2015-16 to 34.2 million tonnes in 2018-19, as per PPAC (Petroleum Planning and Analysis Cell) data. The outcome of ONGC and other E&P operators tender shows that the expected per day rates for offshore assets are firming up in end of 2018-19 and freight market is showing some upward movement. However, rates are still below breakeven for various categories of the vessel requirements.

iii) Outlook:

With crude prices above US$ 67 per barrel mark and considering self-sufficient policy by governments of most of the developed and developing countries for the requirement of energy resources, the E&P activities throughout the world are expected to show upward trend soon and hence the requirement of offshore assets may also rise. Further, several big oil companies shall restart offshore drilling due to the improved efficiency and lower breakeven prices. Industry experts project that the global oil demand shall grow by around 1 million barrels per day (mb/d) on average, each year till 2025, thereafter average annual demand growth is expected to slow down to around 0.25 mb/d.

The Indian market, with upward movement of crude oil prices and the Government of India's intervention on reduction of oil import bill, E&P activities on Indian coast is expected to rise. With more E&P activities more offshore assets will be required.

B OFFSHORE ACTIVITIES:

1 Information relating to the year under review viz 01.04.2018 to 31.03.2019:

1.1 SCI owned Offshore vessels:

Your Company's owned offshore fleet comprises of 10 vessels i.e. 02 nos. 80T Anchor Handling, Towing & Supply Vessels (AHTSVs), 04 nos. 120T AHTSVs, 02 nos. Platform Supply Vessels (PSVs) and 02 nos. Multi-Purpose Support Vessel (MPSV).

During the year, one 120 T BP AHTSV viz. SCI Kundan continued to remain on long term charter with ONGC and 2 MPSVs continued their charter with DRDO. The remaining 2 nos. 80T AHTSVs, 3 nos. 120T AHTSVs and 2 nos. PSVs were predominantly operating in the spot market/short term charter. With continued efforts, your company has been able to successfully obtain business from various reputed national/international/private clients.

2 O&M of ONGC owned vessels

2.1 Mobile Offshore Drilling Units (MODU)

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

Your company continued the O&M of these ONGC owned MODU vessels on cost-plus basis and the present contracts are valid till 30.06.2022 and 18.07.2022 respectively.

2.2 Newly acquired OSVs by ONGC

Your company continues to provide Operation & Maintenance (O&M) services of seven OSVs newly built by M/s ONGC at M/s Pipavav Defence and Offshore Engineering Company Ltd. These vessels are being managed by your company since their deliveries, which began from 2013 onwards. These O&M contracts have been awarded, on cost-plus basis, till 31.03.2023.

2.3 Specialized vessels

During the year 2018-19, your Company continued the Operation & Maintenance management (O&M) of ONGC's 2 Multi Support Vessels (MSVs) ("Samudra Sevak" & "Samudra Prabha") and one Geotechnical Vessel (GTV) ("Samudra Sarvekshak") on nomination basis under 'Cost plus' arrangement. The existing contract for GTV is valid upto 31.03.2021. Although the contract for MSV Samudra Prabha was valid till 31.03.2019 and the extension is under process, w.r.t. the contract for MSV Samudra Sevak ONGC invoked the Clause of Special Conditions of Contract and directed handing over of vessel w.e.f. 16.03.2019. Accordingly, your company has handed over Samudra Sevak on 16.03.2019.

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

3 Emergency Towing Vessel (ETV) 2018

On request of Directorate General of Shipping (DGS), this year also your company provided one Emergency Towing Vessel (ETV), "SCI Panna", for emergency services in the monsoon period, on West Coast of India and East Coast of India, for a total of about 133 days, w.e.f. 21.07.2018 till 30.11.2018.

4 DRDO Project

Defence Research & Development Organization (DRDO) had placed its requirement with SCI for hiring of two support vessels for a firm period of 4 years plus 1 year extension option. Accordingly, SCI had acquired two secondhand/resale MPSVs, "SCI Sabarmati" and "SCI Saraswati", customized to suit requirements of DRDO. These vessels are being utilized to meet support requirements towards DRDO's strategic missions of national importance. Further, in 2018, Indian Navy has availed the services of SCI vessel, 'SCI Sabarmati' for conducting Sea Acceptance Trials (SAT) for its new Deep Submergence Rescue Vehicle (DSRV) equipments. Your company is proud to have been associated & assisted the Indian Navy in successful completion of the trials on the West coast of India.

5 Risks and Concerns

The per day charter hire rates in the spot market is generally higher than the long term rates (industry average), however, there are more operational challenges and loss of employable days during frequent change of charter in spot market for obtaining inspections/ clearances. With majority of assets of your company on spot, it entails the risk of average utilization of assets to be on the lower side. However, despite the same, your company has achieved revenue operating days of 75% compared to the industry average of 60% in Asia-Pacific region.

Entry of new players in the Indian market with low capital expenditure is major concern and challenge for your company. However, your good company is keeping contacts with many E&P operators and EPC contractors with expected future requirement for offshore vessels for their offshore activities. Simultaneously, your company is also continuously on look out for any long term employment for these vessels, not only in the Indian waters but also in Foreign waters.

6 Strengths and Weaknesses

Your company has a diversified fleet of offshore vessels with 02 nos.80T AHTSVs, 04 nos. 120T AHTSVs, 02 nos. PSVs and 02 nos. MPSVs, thus enabling it to cater to requirements of various clients in the offshore market. Your company also owns a fleet of young offshore vessels, thus giving a technological advantage compared to the older vessels in the market.

Your company has always focused on employing its vessels on long term basis with ONGC, which is the biggest E&P Company in India.

However, dependence for majority activities on one client has its own disadvantages, especially considering the de-hiring of vessels by ONGC in 2016. Your company is constantly making efforts to increase its clientele by chartering vessels to other reputed players.

7 Opportunities and Threats

The Government has made some major policy changes in exploration and licensing sector for enhancing domestic exploration & production of oil and gas. Further, with increase in crude oil prices and increase in oil import bill, the E&P activities are expected to rise, thereby creating shipping demand for offshore assets in Indian coast. Also the sanctions on Iran are expected to increase the E&P activities worldwide and so is the demand for offshore assets.

Many marginal and new players have taken advantage of the low prices of distressed assets of troubled offshore players and have entered the Indian market. Entry of new players and availability of old offshore assets at lower price are leading to high competition resulting in charter hire rates in ONGC's recent tenders to be very low and it has not been gainful for offshore assets of your company to be employed at these low levels.

C) Technical Services:

1 Technical Consultancy Services

During the year under report the Company continued to provide technical consultancy services to A&N Administration, Union Territory of Lakshadweep Administration, Geological Survey of India, Union Territory of Daman and Diu Administration (UTDD) and other Government Departments for their various ship acquisition projects. By the end of the year, another Government organization namely M/s. Sardar Sarovar Narmada Nigam Limited (SSNNL) appointed SCI as the consultant for selection of integrated operator for running passenger ferry vessels at Statue of Unity site, Kevadia, Gujarat. Further, SCI expects to add few more clients in its technical consultancy portfolio.

2 Tonnage Acquisition Programme

During the year under report, your company did not make any addition as stated earlier in the Board Report. The reason being the company is cautiously looking into acquisition proposals and impact of the assets. Your company also desires to reduce the gap of gestation and therefore always strives to look at the proposals for second hand acquisitions.

3 Eco-Friendly and Conservation of Energy

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

Your company has taken necessary steps to meet IMO's fuel oil data collection system directive, as per IMO directives to report fuel oil consumption data from 01st Jan'2019.

SCI is getting geared-up to meet IMO's 0.5% sulphur fuel regulation effective from January 2020 and required action is being initiated on all vessels by respective Operating Divisions, to make the fuel tanks ready for bunkering of low sulphur fuel well before the regulation comes in force.

All engines fitted on board are meeting applicable NOx emissions requirements. For the existing vessels, your company had developed a Ship Specific Energy Efficiency Management Plan (SEEMP) to improve and monitor energy efficiency in ship operations. Usage of eco-friendly refrigerants, installation of Ballast Water Treatment plants, availability of Inventory of Hazardous Materials on most of its ships, usage of TBT free paints, etc are some of the measures showing your company's commitment to Eco-friendly policies and conservation of energy.

4 Technology Absorption, Adoption and Innovation

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

For 700T oil tanker vessel under construction for UTL Administration, SCI as the technical consultant has recommended various optional features such as double hull protection for the cargo tanks, installation of sewage treatment plant and incinerator onboard, portable tank cleaning machines, cupro-nickel piping for ballast water / sea water systems, etc. which proves your company's commitment to technology absorption.

Similarly, for 500/1200 Passenger vessels under construction for A&N Administration, SCI had recommended adoption of certain technological up gradations for passenger comfort and operational efficiency.

5 Situation in Coastal operation and Offshore areas

The DG Shipping had come out with guidelines on Right of First Refusal (RoFR) which focuses on Indian built vessels over Indian flag tonnage. The revised guideline has potential to impact the Indian shipping industry; however the same is currently in abeyance in the High court.

Further, the low asset prices have prompted many Indian ship owners to test the local offshore markets by aggressively bidding in the ONGC tenders. At the same time, with changes made by Government in awarding blocks for oil & gas would definitely benefit the offshore sector and inturn your company' revenues.

6 Measures taken to improve services and operations

During the year greater emphasis has been given on preventive and planned maintenance for cost effective operations and maintenance of OSVs. The available downtime was well utilized for maintenance and overhauls of machinery.

ONGC has changed the technical requirements for deployment of PSVs in their new tender which involves enhanced rescue capabilities. Your company has already initiated steps to upgrade the two PSVs in its fleet, to meet the new technical requirements of ONGC.

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

IV International Safety Management Cell

The SCI has introduced the Safety Management System by setting up a dedicated International Safety Management (ISM) Cell, which has developed, structured and documented procedures in compliance with the International Management Code for Safe Operation of Ships and for Pollution Prevention (ISM Code), in accordance with the resolution A.788(9) of the International Maritime Organization (IMO) and SOLAS, Chapter IX.

The SCI has laid the foundation of the Safety Management System (SMS) by recognising that the cornerstone of good Safety Management is a commitment from the top management, coupled with the competence, attitude and motivation of individuals at all levels, that determines the expectations of a good Safety Management System.

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

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

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

Towards addressing all emergency related issues, dedicated contact numbers remain manned 24 hours in the operating divisions:

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

Awards & Appreciation:-

- First Prize for 'Best Enterprise - Navratna' awarded to SCI at the 29th National Meet of Forum of Women in Public Sector (WIPS), on 12th February, 2019
- HR Excellence Award at the Governance Now 6th PSU Awards on 17th January 2019
- Ranked 1st among the Key Organizations under the Swachh Bharat Mission 2019 – Swachh Survekshan initiative of the Ministry of Shipping (assessment exercise conducted by Quality Council of India appointed by the Indian Ports Association).
- 'AMVER' award by U.S. Coast Guard's (USCG) for outstanding contribution to AMVER (Automated Mutual-assistance Vessel Rescue) system which ensures quick and efficient rescue of disabled and distressed ships at sea, saving lives and ensuring continuity of shipping operations on 27 August 2018
- Excellence award for "Contribution to women in CPSEs" in recognition of SCI's commitment to the principles of gender diversity and equality at the workplace reflected by the representation of women across hierarchical grades including SCI Board at ICC's (Indian Chamber of Commerce's) PSE Excellence Awards 2018 on 29th August 2018
- "Best Employer Of the year (Indian Flag) - (Sapphires of the Ocean)" at Seajob Indian Anchor Awards 2018 (organized by Sealine Group) on 20th October 2018 (through Online Polling).
- 'The Offshore Marine Awards for Owners and Operators" at Sea Trade and Maritime Awards (Middle East, Indian sub-continent & Africa) on 28th October 2018.
- 'Shipping Company of the Year-Coastal' at the 6th Samudra Manthan Awards on 5th December 2018.
- Third prize (Organization Category) under 'Swachh Sarvekshan' conducted by Indian Ports Association

Individual Awards (apart from those bestowed on SCI)

- Capt. Anoop Kumar Sharma, C&MD, SCI was awarded 'Maritime Personality of the Year' 2019 at 4th India Maritime Awards on 21st June 2019 at Mumbai. India Maritime awards is organized by Daily Shipping Times.

- 'Best Women Employee - Executive' awarded to Mrs. Sangeeta Sharma, Director, Liner & Passenger Services of the Shipping Corporation of India Ltd., at the 29th National Meet of Forum of Women in Public Sector (WIPS) on 12th February, 2019
- India Maritime Award for 'Woman Professional in Shipping & Logistics' was conferred upon Mrs. Sangeeta Sharma, Director (Liner & Passenger Services) of the Shipping Corporation of India Ltd., for her outstanding contribution in the shipping business on 22nd June 2018.
- Excellence Award for his 'Outstanding Contribution to the Indian Public sector' was conferred upon Capt. Anoop Kumar Sharma, Chairman & Managing Director of the Shipping Corporation of India Ltd. at ICC's (Indian Chamber of Commerce's) PSE Excellence Awards 2018 on 29th August 2018.
- 'The Maritime Standard Outstanding Achievement Award', prestigious Individual Award, was conferred upon Capt. Anoop Kumar Sharma, Chairman & Managing Director of the Shipping Corporation of India Ltd, at The Fifth Annual Maritime Standard Awards on 15th October 2018.
- "Offshore Marine Award for owners & operators" was awarded to SCI by Seatrade Maritime Award in the category at the function held at The Atlantis, The Palm, Dubai on 28.10.2018.
- Memento received as Note of Thanks from JFD Team to The Captain and Crew of M.V. SCI Sabarmati to recognise joint participation with the Indian Navy in the IN DSRV Sea Acceptance Trials - System 1 2018.
- Appreciation from Shri Venkatesan, Scientist G & Head of Ocean Observation System, National Institute of Ocean Technology Ministry of Earth Sciences, Chennai to the Captain, Officers and crew of M.V. Sagar Nidhi in getting valuable data.
- Appreciation letter dated 07.11.2019 from Sri Lanka Navy Headquarters, Colombo to the Master, M.V. Vishva Vijay, for the Assistance rendered to transfer a patient ashore to save a life at sea.
- Corporate Award for HSE Excellence 2017-18 - in recognition to the Professional Excellence and outstanding performance in Health, Safety and Environment Management was adjudged to Rig M.V.Sagar Vijay, as the Best Offshore Drilling Rig received from ONGC on 29.01.2019.

SCI's Drug & Alcohol Policy:-

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

ISPS Cell

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

SCI is committed to the following objectives to fulfill the requirements of its security policy:

- Security of its ships and their crew, passengers and cargo
- Support to its ships in implementing and maintaining the Ship Security Plan.

Integrated Management System (IMS)

SCI is now in compliance with IMS (**ISO 9001:2008** – Quality Management System, **ISO 14001:2015** – Environmental Management System and **BS OHSAS 18001:2007** – Occupational Health and Safety Management System) on board all vessels and shore establishments.

The required certification was obtained on 27th April, 2018 from IRQS, valid till 22nd December 2019.

V PERSONNEL AND ADMINISTRATION

FLEET PERSONNEL

1. There is a shortage of senior Floating Staff officers, especially in the ranks of Masters & Chief Engineer Officers. The Fleet Personnel Department is trying to mitigate the shortage by recruiting officers on direct contract and through manning agents by offering market-related wages which have been revised significantly in the Main Fleet and Offshore Sector.

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

i. Professional Development Course for ratings from 31.01.2019 and 01.02.2019.

ii. Professional Development Seminar for the senior officers on 31.01.2019 and 01.02.2019 covering topics like Maritime Labour Convention, Automation and Control Engineering, SEEMP, Risk Management, Vetting Requirements, Safety and Security Issues, Vessel Resource.

3. The Shipping Corporation of India Ltd. (SCI) was awarded with the 'Most Compassionate Employer of India Seafarers' by the NMDC Central Committee for being the pioneer and for continuing to make special efforts for the welfare and development of the Indian seafarers. The Award & Citation was conferred during 56th National Maritime Day Celebrations 2019 held on 05th April 2019 at Y. B. Chavan Auditorium, Mumbai.

4. Fleet Personnel department has started conducting a two days Shipboard Orientation Workshop at MTI for fleet officers to enhance the quality of our seafarers and their level of awareness of the continuous evolving shipboard developments. Superintendents from ISM Cell, BNT Vetting and Fleet Personnel Department conduct the workshop. Workshop shall be conducted once in every month improving on the contents with every workshop. This initiative will help us to grow as a knowledge based learning Company.

5. Computer Based Assessment & Evaluation Test was inaugurated by our CMD on 06.03.2019. The Assessment Program is now fully functional. All Floating Officers, including Masters & Chief Engineer Officers are put through the Assessment prior posting on vessels.

MARITIME TRAINING INSTITUTE

Your company's Maritime Training Institute (MTI) at Powai has successfully obtained approvals and commenced four new courses in the year 2018, viz. Second Mate (F.G.) Competency Course, Radar Observer's Course (ROC), Automatic Radar Plotting Aids (ARPA) and Electro-Technical Officer (ETO) course. Presently, four batches of Diploma in Nautical Sciences (DNS) at Powai campus are underway. Pilot batch of ETO course consisting of 39 participants, including 5 female participants, commenced from 03rd December, 2018 and successfully completed on 30th April, 2019. SCI-MTI, Powai has commenced one batch of Graduate Marine Engineering (GME) this year. Regular Management Development Programs, Guest lectures, seminars, professional development programs and skill enhancement programs are being conducted for all ranks of officers, petty officers, ratings and shore officers to enhance their competence and build a sense of belonging in them towards the company. Shipboard Orientation Workshops are conducted on monthly basis at SCI-MTI to refresh and enhance competencies and skills of floating personnel of the company. Management Development Programs for mid level and senior level officers, Soft Skill based workshop for Posting Officers, finance for non-finance professionals are conducted to ensure that our institute is self sustaining.

Your Company's Training Centre - Maritime Training Institute at Powai, Mumbai has been assigned GRADE A1 (Outstanding) rating by Class NKK after the inspection as per the Comprehensive Inspection Programme Guidelines of the Director General of Shipping.

Your Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has conducted 326 Courses for 5030 participants and the total man-days trained during this year is 105435. These included 89853 man-days for SCI's personnel and 15582 man-days for personnel from other companies.169 SCI shore personnel were provided 417 man-days of in-house training.

MTI is actively participating in Swachh Bharat drive within the campus and in public places. Cadets, trainees, faculties and staff are involved in the activity- planned at regular intervals. In line with Govt.'s vision, SCI-MTI contributed massively in the swacchta pakhwada from 17.09.2018 to 02.10.2018 and organized various cleaning drives, wall painting, poster making competition, essay writing competition, slogan writing, road rallies and nookad nataks in the vicinity of MTI Powai for increasing awareness.

Information towards major achievement during the year under review i.e. FY 2018-19

Academic Achievements:

A. SCI-MTI has commenced four new courses in the year 2018-19:

- **Second Mate (F.G.) Competency Course**
- **Radar Observer's Course (ROC)**
- **Automatic Radar Plotting Aids (ARPA)**
- **Electro-Technical Officer (ETO) course**

B. Pass Percentage of SCI-MTI for DNS batches successfully increased to 82% in June 2018 IMU examination for Semester II. Pass Percentage for DNS students increased to 75% in December 2018 IMU examinations for Semester I.

C. SCI-MTI has commenced customised training program in year 2018-19 for Corporate clients in "Industrial , Marine safety & Survival", including Hindustan Petroleum Corporation Ltd, Larson & Tubro, Mitsui OSK Lines (India) Ltd, Reliance Industries, Cathedral School & Aneri Constructions.

Non-Academic Achievements

D. SCI-MTI became a Wi-Fi enabled campus since June 2018. Wi-Fi facility is provided to course participants for research based assignments and project works.

E. SCI-MTI has continued saving on its electricity bills by approx. 50 – 60% on monthly basis as its solar power generation capacity was enhanced to 0.5 MW in early 2018.

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

G. SCI-MTI has taken initiative to get PNG connection for Galley and officer quarters. This will help MTI to take another step towards green campus and will also reduce the cost of fuel in the dining block.

Business Development Initiatives

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

Others

I. The Fleet Safety Awards function was held at the MTI Auditorium on the 01st February, 2019.

J. SCI-MTI hosted the Maritime Quiz competition under National Maritime Day Celebration (NMDC) on 04.04.2019.

SHORE PERSONNEL

Material developments in Human Resource / Industrial Relations front, including number of people employed

The total manpower as on 01.07.2019 is 675 (excluding CVO and Board level members), out of which 595 are officers and 80 are staff members. One Fire and Security officer was recruited in the financial year 2018-19.

With a view to meet the present and future challenges and be a globally competitive Corporation, a number of capability development initiatives and employee engagement activities were introduced in the year 2018-19. To familiarize the employees with the challenges faced by the organization and encourage them to discuss their concerns and share their ideas/ strategies, a quarterly interactive forum with top Management called 'SCI LEAP' was introduced. 'SCI–Empower', Chairman's Trophy for Young Managers, was launched to provide a platform to accelerate their development and growth. SCI Explorer', a HR General Management bi-monthly e-magazine, was also launched. SCI Apex award scheme for individual and group achievements was introduced to recognize the performance of the employees. Various training programmes, both in-house and external, including General Management Training programmes have been conducted for the employees for development of their skill sets and domain knowledge.

HR policies have been revamped to ensure the processes are systematized and updated to be on par with the best practices in the industry.

The pay revision of Staff Members of SCI w.e.f 01.01.2017 has been implemented in December 2018.

Reservation Policy

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

SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2019 and number of appointments made during the preceding calendar year:

Report I

Name of the Public Enterprise: The Shipping Corporation of India Ltd.											
Groups	Representation of SCs/STs/OBCs (As on 1.1.2019)				Number of appointments made during the calendar year 2018						
					By Direct Recruitment				By Deputation/ Absorption		
	Total no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Executives A	600	120	48	93	0	0	0	0	7	1	0
Non Executives B	63	21	4	3	0	0	0	0	0	0	0

Name of the Public Enterprise: The Shipping Corporation of India Ltd.											
Groups	Representation of SCs/STs/OBCs (As on 1.1.2019)				Number of appointments made during the calendar year 2018						
					By Direct Recruitment				By Deputation/ Absorption		
	Total no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs
C	19	6	1	0	0	0	0	0	0	0	0
D	1	0	0	0	0	0	0	0	0	0	0
Total (Executives in Grade 'A' plus Non - executives)	683	147	53	96	0	0	0	0	0	0	0

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

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

Intake	Batch	ST	SC	OBC	GEN
Aug 2018	48 & 49	4	14	26	36
Feb 2019	50 & 51	1	11	36	32
Intake	**Batch**	**ST**	**SC**	**OBC**	**GEN**
Dec 2018	ETO-01	00	07	08	24

Women Representation

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

Your company's efforts are reflected in the representation of women across various hierarchical grades. At present women constitute around 20.56% of total workforce at shore establishments of your company.

SCI has been the pioneer in India with regards to recruiting women for jobs on board its fleet. Presently, 2 Masters, 6 Chief Officers, 2 Second Engineers, 34 Second/Third Officers, 6 Third/Fourth Engineers and 2 Nurses are women serving on various types of ships.

Other than above, there are 10 Women Trainee Nautical Officers and 1 Woman Trainee Marine Engineer.

Your company encourages active involvement in the activities of the Forum of Women in Public Sector (WIPS) since its inception. WIPS, Western Region, under the aegis of SCOPE has appreciated your company's efforts by conferring the "Best Enterprise Award (1st Prize)" under Navratna Category.

Policy to prevent sexual harassment in workplace

Your company promotes gender equality and has been taking proactive measures to prevent any Sexual Harassment at workplace. Your company has constituted a committee comprising of senior women executives and a woman representative from the NGO Pratham to enquire into complaints of Sexual Harassment at the workplace.

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

The Corporate Social Responsibility vision of your company articulates its aim to be a corporate with its strategies, policies and actions aligned with wider social concerns, through initiatives in education, public health, women empowerment and other areas of social upliftment. Your company has framed its CSR policy in line with the guidelines contained in the Companies Act 2013 and Companies (CSR Policy) Rules, 2014 notified therein" and constituted a CSR - SD committees as per the act to coordinate and oversee the implementation of CSR initiatives. The Corporate Social Responsibility Policy is available on the website of the company i.e www.shipindia.com under "About us – Policies". The budget available for CSR initiatives in the year 2018 – 19, as per applicable provisions was Rs. 4.20 Crores. Against the available budget, your company allocated Rs. 4.20 Crores against following initiatives in the year 2018 – 19:

1. Promotion of Education –

a) Annual Grants have been awarded to meritorious students from weaker section of the society, viz. SC/ST/BPL candidates, pursuing Ocean Engineering/Naval Architecture/Nautical Science/GME courses at premier institutes (IMU's, IIT's & MTI) to encourage and support Maritime Education in the country.

b) Support to Friends of Tribals Society (FTS) for setting up 100 Ekal Vidyalayas under the unique project 'One Village, One School, One Teacher'.

2. Eradicating Hunger & Malnutrition –

Support to Akshaya Patra Foundation for provision of mid-day meals to 2500 school children.

3. Women Empowerment & Gender Equality –

Skill Development training of 201 women in apparel sector in association with Apparel Made-Ups & Home Furnishing Sector Skill Council (AMHSSC).

4. Employment Enhancing Vocational Skills for Divyangjans -

a) Technical Skill Development training to the 197 divyangjans to make them capable and self-dependent in association with National Handicapped Finance & Development Corporation (NHFDC.

b) Empowerment of divyangjans by distribution of assistive devices to them in association with Artificial Limbs Manufacturing Corporation of India (ALIMCO).

5. Promoting Preventive Health Care -

Augmentation of facilities at Kayakalp, an AYUSH Hospital established at Vivekananda Medical Research Institute, Palampur in association with Vivekananda Medical Research Trust, Palampur.

6. Swachh Bharat Abhiyan & Ganga Rejuventaion -

a) Constructions of 19 nos. of schools toilets at various schools run by Bharat Sevashram Sangha.

b) Distribution of re-usable cloth bags at various municipal schools in view to the plastic ban in Maharashtra.

c) Contribution to the Clean Ganga Fund of Government of India for strengthening the National Mission for Clean Ganga.

Against the allocation of Rs. 4.20 Crores, Rs. 2.03 Crores have already been spent and balance will be released on achievement/completion of project specific timelines.

VI. Material Orders of Judicial Bodies / Regulators

Details of significant and material orders passed by any Regulator, Court, Tribunal, Statutory and quasi-judicial body, impacting the going concern status of the company and its future operations shall be disclosed - Nil

VII. Implementation of Official Language Policy

In order to comply with the Official Language policy of the Government, your company reiterated its commitment and made all out efforts to promote and popularize the usage of Hindi in its day-to-day affairs during the year under report. As per the Annual Programme issued by the Ministry of Home Affairs, your Company conducted various Hindi programmes /competitions at a regular interval. Hindi Unicode computer workshops were also held every month to impart training in Hindi typing and translation on computers.

This apart, your Company has also created an atmosphere to spread the usage of Hindi through email correspondence by way of Quarterly Hindi correspondence incentive scheme, under which the eligible employees are being rewarded every quarter with cash incentives.

During Hindi Pakhwara in September 2018, an appeal made by CMD was emailed to all employees to enhance the usage of Hindi in official noting and correspondence. Your Company also attended Town Official Language Implementation Committee (TOLIC) meetings during the year under report.

It is matter of great pleasure that your company's Head Office located in Mumbai has been declared as 2nd prize winner in Region 'B' for its excellent performance in Hindi implementation under the Rajbhasha Shield Scheme of the Ministry of Shipping, for the year 2017-18.

VIII. Procurement of Goods and Services

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

During the financial year 2018-19, your Company continues to support the micro and small scale Enterprises (MSEs) by procuring a 25.51% of its supplies of goods and services from MSEs as against the set target of 25% in line with the revised Public Procurement Policy. Further, your company actively participates in the programs organised by the Ministry so as to make MSEs aware of the SCI's requirements.

IX. Protection & Indemnity (P&I) Insurance

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

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

X. Appointment and Remuneration Policy:

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

XI. Right to Information Act 2005 (RTI ACT 2005)

A suitable mechanism has been put in place for dealing with the requests and appeals under RTI Act 2005. The RTI manual is posted on the Company's website. Your Company has been complying with the provisions of the Act within the stipulated time limit provided under the Act. As on 31.03.2019, your Company has disposed off most of the applications and appeals received from the parties.

XII. JOINT VENTURE COMPANIES

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

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

India LNG Transport Co. No. 4 Ltd

SCI had entered into 4th JV formed in Singapore, with the same three Japanese companies viz. Mitsui O.S.K.Lines (MOL), Nippon Yusen Kabushiki Kaisha (NYK) and Kawasaki Kisen Kaisha Ltd (K Line) along with Petronet LNG Limited (PLL), to own and operate one 173,000 CBM LNG Tanker for transporting 1.44 million metric tons of LNG primarily from Gorgon, Australia to India/China for charterers M/s Exxon Mobil Services B.V., Netherlands. SCI is the manager for this company and is managing the techno-commercial operations of the tanker.

SAIL SCI Shipping Pvt Ltd (SSSPL)

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

Irano Hind Shipping Company Ltd. (IHSC)

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

XIII. SUBSIDIARY

Inland and Coastal Shipping Limited

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

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

XIV. SPECIAL PURPOSE VEHICLE

Sethusamudram Corporation Ltd.

The Government of India had constituted Sethusamudram Corporation Limited (SCL) to raise finance and to undertake activities to facilitate operation of a navigable channel from Gulf of Mannar to Bay of Bengal through Palk Bay (Sethusamudram Ship Channel Project). As per the

Government directive, this project is to be funded by way of equity contributions from various PSUs including the SCI. As on FY 2016-17, SCI has invested Rs. 50 crore in the project. Work suspended since 17.09.2007 consequent to an interim stay by the Hon'ble Supreme Court for carrying out dredging operations in Adam's bridge area. Pending a final decision on alternative alignment, all the dredgers were withdrawn since 27.7.2009. Supreme Court's final hearing on the matter was scheduled on 06.04.2018, however, the hearing was withheld indefinitely. Circular resolution dated 11.03.2019 was passed for seeking additional grant of Rs. 115.72 crores from the Government to settle the dues of Dredging Corporation of India for the dredging works carried out in Sethusamudram Ship Channel Project and also a proposal to Ministry of Shipping for winding up of SCL along with fund position.

XV. Memorandum of Understanding (MOU) with the Ministry of Shipping

The MOU for the financial year 2019-2020 was signed on 10.05.2019. The MOU, finalized as per the guidelines issued by the Department of Public Enterprise (DPE) for the year incorporates performance targets in sync with the changing dynamics of the shipping scenario. Apart from the Financial parameters, as per the DPE requirements, Sector-Specific Operational, Human Resource Management and CPSE Conclave Action Points Parameters have also been incorporated in the MOU for achieving sustained overall growth. SCI's Composite Score for MOU 2017-18 was evaluated by the DPE at 72.07 and SCI was thus graded "Very Good" for FY 2017-18. The MOU for the financial year 2018-19 would be due for evaluation by the DPE in November 2019.

XVI. Details of shares lying unclaimed

The details of the shares issued pursuant to FPO remaining unclaimed and lying in the escrow account, the voting rights of which shall remain frozen till the rightful owner of such shares claims the shares, are given as under:

Sr. No.	Details	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2018	4	436
2	Number of shareholders who approached for transfer of shares from suspense account till 31.03.2019	2	274
3	Number of shareholders to whom shares were transferred from suspense account till 31.03.2019	2	274
4	Aggregate number of shareholders and the outstanding shares transferred to IEPF on 27.12.2018	2	162
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2019	0	0

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

XVII. Utilization of FPO Proceeds

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

During the year 2010-11, your Company had floated a "Further Public Offer" (FPO), comprising of a 'fresh issue' of 42,345,365 equity shares in your company and an 'offer for sale' of 42,345,365 equity shares by the President of India. The FPO proceeds of Rs. 58245 lakhs were fully utilized in the financial year 2011-12 as per object of the issue for part financing of capital expenditure on nine shipbuilding projects. However, due to delays in the projects resulting in default by the shipyards, during the period January 2014 to May 2014, your Company rescinded contracts for four shipbuilding projects and also, re-negotiated the payments for two projects. The investment in the rescinded contracts out of the FPO Proceeds was Rs. 330.65 crores.

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

Out of the said amount of Rs.330.65 crs, an amount of Rs. 196.80 crs has been utilized till date as under;

Month & Year	₹ Crs	Utilised for
November 2016	34.37	Equity portion of PSV – SCI Sabarmati
April 2017	63.82	Equity portion of Suezmax Tanker – Desh Abhiman
July 2017	27.63	Equity portion of PSV – SCI Saraswati
September 2017	70.98	Equity Portion of VLGC – Nanda Devi
Total Utilized till date	**196.80**	

The un-utilized FPO proceeds amount of Rs 133.85 crores are kept in fixed deposit.

XVIII. Segment-wise Performance

Report on performance of the various operating segments of the Company (audited) is included at Note No. 32 of Notes on Financial Statements (Standalone) for the year ended 31st March 2019, which is forming part of the Annual Accounts.

XIX. Internal Control System

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

XX. Dividend Distribution Policy

The Dividend Distribution Policy of SCI seeks to reward its shareholders for their trust and investment in Company's business objectives. The declaration and payment of dividend will be regulated by the Companies Act 2013, the SEBI (LoDR) Regulations, 2015 and the guidelines issued by the Govt. of India as amended from time to time. The quantum of dividend payments will depend on annual consolidated Profits, fund requirement for company's expansion plans, present and anticipated future business environment with special reference to Shipping Industry and various other factors impacting company's performance. The dividend distribution will also be subjected to restrictions / conditions, if any, imposed by lenders, orders of Courts and / or statutory bodies. The said Policy is available at SCI's website i.e www.shipindia.com under 'Policies'.

XXI. Role of Vigilance Division in SCI

During the year under review, the Chief Vigilance Officer continued to ensure the integration of preventive vigilance initiatives in the business process thus striving towards greater transparency and towards improved ethical and corporate governance standards. Vigilance Division undertook activities of preventive and punitive vigilance and also ensured adoption of good and ethical corporate governance practices towards achieving the stated objective of making your Company processes fair, transparent and corruption-free. Technology has been leveraged for achieving greater transparency and for eliminating systemic weaknesses through various implemented and ongoing initiatives such as e-payments, promoting online registration of complaints via the Vigilance Webpage contained in the SCI website; migration to Supplier Relationship Management platform for procurements; bill tracking system and dissemination of important circulars/guidelines on the webpage. Vigilance Division has been propagating the culture of lodging of complaints under the Public Interest Disclosure and Protection of Informers' Resolution (PIDPI Resolution) whereby the identity of the complainant would be kept secret and he/she would be protected from victimization. Vigilance Division continued to interact with various employees of SCI as well as various stake holders including Vendors, Contractors etc. which has helped in understanding the issues from their perspective as well.

Activities of the Vigilance Division carried out in 2018-19:

During the year under review, the Vigilance Division continued the following normal activities which encompassed the 3 Ps of Vigilance:- • Preventive Vigilance • Punitive Vigilance • Participative Vigilance. The important activities that were carried out in 2018-19 by the Vigilance Division were as follows:-

A) Investigations into complaints of corruption/malpractice were conducted

B) Random scrutiny of Annual Property Returns (APRs)

C) Active monitoring of the implementation of Integrity Pact in SCI

D) Acted as a catalyst in the implementation of preventive vigilance measures by your Management such as e-payments, bill tracking systems, phased transfers of employees posted in sensitive areas etc.

E) Conducting surprise and periodic inspections, CTE type inspections, conducting Systems Studies and recommending systemic improvements

F) Selective scrutiny of Voyage Repairs Bills, dry-docking bills, various accounts

G) Training of Officers on vigilance related subjects as well as CDA Rules. During the year a workshop was held for a panel of Inquiry Officers and Presenting Officers

H) Imparting training to fresh recruits on vigilance

I) For the annual Vigilance Awareness Programme, apart from in-house programmes major emphasis was placed on reaching out to youth through various programmes in schools and colleges as desired by the Central Vigilance Commission

J) The message of Vigilance Division of SCI was spread to the public via an interview of Chief Vigilance Officer in AIR FM Gold during

Vigilance Awareness Week-2018.

K) Awareness campaign on board SCI ships: In order to spread the awareness about Vigilance amongst seafarers, the Integrity pledge was administered on board the ships and banners were displayed.

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

During the period under review, the Vigilance Division had investigated 15 complaints (i.e. 10 complaints B/F from previous year + 5 new complaints registered during the period and 13 complaints closed after investigation leaving 2 balance complaints for complete disposal.

Vigilance Study Circle Mumbai Chapter:

The Vigilance Study Circle Mumbai Chapter was started on the initiative of SCI Vigilance Division in 2010. It continues to spread Vigilance awareness and develop the knowledge and skills of Vigilance Professionals and provides an ideal platform for the Chief Vigilance Officers of Mumbai based PSUs, Banks etc. to meet and exchange their views/ experiences, etc.. Following activities are carried out by VSC Mumbai chapter during the year 2018-19:

1. Workshop on Overview of Procurement and case studies on procurement was conducted for about 50 senior officials of PSU's / PSBs by VSC – Mumbai in August, 2018. Chief Technical Examiner and a senior official from CBI were the expert speakers for the event. This workshop was attended by middle level and senior level management of the members of VSC – Mumbai

2. The 7th Annual Function of VSC – Mumbai was held on December 21, 2018. Hon'ble Central Vigilance Commissioner, Shri. K V Chowdary was the Chief Guest for the function. A 'Panel Discussion' on the topic "Vigilance & India's Growth story" was conducted where CMDs of 6 member organizations participated. A "Souvenir" of the VSC – Mumbai was officially released by the Chief Guest.

3. As a part of Vigilance Awareness Week – 2018, a 'Walkathon' was organized by VSC – Mumbai in the BKC area of Mumbai to create more awareness on vigilance related activities. More than 750 personnel from the member organizations participated in this Walkathon.

Integrity Pact in the Shipping Corporation of India Ltd.:

SCI had signed a Memorandum of Understanding (MoU) with Transparency International India for the adoption of Integrity Pact. By signing the MoU, your Company is committed to have most ethical and corruption free business dealings with the counterparties whether they are bidders, contractors or suppliers. The 'threshold value' for implementation of Integrity Pact in domestic goods and service contracts is Rs.1 crore. Thus, any goods/services contract of Rs.1 crore and above will incorporate the Integrity Pact thereby assuring the concerned parties of the transparent and ethical practices in SCI. During the year under review, the Integrity Pact was monitored by a panel of 2 eminent Independent External Monitors (IEMs). Meetings were held periodically with the IEMs to review the progress of implementation of Integrity Pact in SCI.

Activity Report of Vigilance Study Circle – Mumbai for the year 2018-19

VSC – Mumbai regularly conducts training / workshop on the topics of concern for the benefit of its members.

1. Workshop on Overview of Procurement and case studies on procurement was conducted by VSC – Mumbai on August 03, 2018 at the office of NABARD, BKC, Mumbai. Chief Technical Examiner and a senior official from CBI were the expert speakers for the event. This workshop was attended by middle level and senior level management of the members of VSC – Mumbai

2. The 7th Annual Function of VSC – Mumbai was held on December 21, 2018 at the Auditorium of NABARD, BKC, Mumbai. Hon'ble Central Vigilance Commissioner, Shri. K V Chowdary was the Chief Guest for the function. A 'Panel Discussion' on the topic "Vigilance & India's Growth story" was conducted where CMDs of 6 member organizations participated. A "Souvenir" of the VSC – Mumbai was officially released by the Chief Guest.

3. As a part of Vigilance Awareness Week – 2018, a 'Walkathon' was organized by VSC – Mumbai in the BKC area of Mumbai to create more awareness on vigilance related activities. More than 750 personnel from the member organizations participated in this Walkathon.

XXII. UNGC compliance

Your company is signatory to UN Global Compact initiative which signifies our commitment to uphold the ten principles of Global Compact on protection of human rights, prevention of child labour, protection of environment and anti-corruption initiatives. Your company is an equal opportunity employer and does not discriminate on grounds of sex, religion, caste, creed, colour etc. The freedom of association is recognized and allowed. Fair labour practices are followed and it is ensured that no child labour is directly/indirectly employed. Your company is committed to do business consciously and responsibly setting sustainable systems to protect the environment. Your company ensures transparency, equity and competitiveness in public procurement through various inbuilt mechanism and anti-corruption initiatives.

XXIII. Cautionary Statement

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

XXIV. Board of Directors

Mr. Sukamal Chandra Basu ceased to be the Directors on the Board of SCI w.e.f 20.3.2019 upon completion of his tenure. Mrs. Archana Ramsundaram ceased to be the Director on the Board of SCI w.e.f 20.3.2019 on to her appointment as Non-Judicial member of Lokpal.

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

Mr. Arun Balakrishnan completed his tenure on 20.3.2019 and ceased to be the Director on the Board of SCI. Subsequently, vide Ministry's letter dated 12.7.2019, Mr. Arun Balakrishnan was reappointed on the Board of SCI on 19.7.2019.

XXV. Declaration of Independence

The Company has received Declaration from Independent Directors conforming that they meet the criteria of Independence and have complied with the Code for Independent Directors as prescribed under Companies Act 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and DPE guidelines

XXVI. Auditors Report

The Statutory Auditors have given an unqualified report on the Financial Statements of the Company for the Financial Year 2018-19. Further, there are no comments made by Comptroller and Auditor General of India on the Standalone and Consolidated Financial Statements for the year ended 31st March 2019. The Management's reply to the Statutory Auditors observation on Internal Financial Control under section 143(3)(i) of the Companies Act, 2013 is given below;

Statutory Auditors Observations

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

b) The Control on the timely updation of telegram for booking of bunker consumption in correct voyage & recovery from charterer needs to be strengthened.

c) System for Monitoring and Clearing of Vendor Accounts (Including Agent Prefunding), GR/IR Accounts should be done on timely basis and Legacy Balances should be reconciled.

d) The system has to ensure that the TDS is deducted either at the time of booking of expenses or while making the provisions at cut-off date

Management Reply

a) The Company has taken necessary steps for timely updation of master data as soon as seafarers sign on and sign off. Further, the Company has authorised an officer for making relevant changes in fleet personnel master data after approval from head of fleet personnel department to strengthen the controls in the master data.

b) Masters of the vessels forward the reading of bunker utilized on daily basis via telegram. The Company has put procedure in place to check all the telegrams sent by the vessels to ensure that the consumption is booked on the correct vessel voyage. Any discrepancy is immediately notified to the Master for rectification. At times vessels also face IT system issues, thereby not allowing vessel to make any telegram on time. This issue is addressed through manual posting.

In respect of inchartered vessels, information is received from the vessel and entered into the system by officers. So the mechanism of double check has been put in place to ensure minimal human errors. Further, in case of inchartered vessel if i) there is shortage or excess at the time of redelivery ii) there are claims pertaining to excess consumption of bunkers as against what has been declared at the time of charter party agreement, same is adjusted in the Statement of Accounts (SOA).

c) Efforts are made by the respective divisions to expedite the approvals of FDAs. In order to strengthen clearing and monitoring of GR/IR account and Vendor account, procedure of follow up for pending bills with respective departments has been put in place. The Company is in active process of completing the reconciliation of the legacy balances.

d) The Company is in process of installing a system to ensure that TDS is deducted either at the time of booking of expenses or while making the provisions at cut-off date.

XXVII. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the Board has appointed Mr. Upendra Shukla, Practicing Company Secretary to conduct the Secretarial Audit for the Company for Financial Years 2017-18 and 2018-19. The Secretarial Audit report for the FY 2018-19 is appended to the Directors' Report. The Secretarial Auditor in his report for the year ended 31st March, 2019 has brought out that:

The Corporation has complied with the requirements of Corporate Governance as provided under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance, with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board during the period 1st April, 2018 to 17th December, 2018 and 20th March, 2019 onwards. It is clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointing required number of Independent Directors on the Board within the period prescribed under Section 149 of the Companies Act, 2013 and

Regulation 25(6) of the SEBI (LODR) Regulations, 2015.

The Management views on the above observation are as follows:

As on date, the Board of SCI includes the following six Independent Directors: Dr Gautam Sinha, Shri Raj Kishore Tewari, Dr P.Kanagasabapathi, Shri Vijay Tulsiramji Jadhao, Shri Arun Balakrishnan and Shri Mavjibhai Sorathia. SCI is following up with The Ministry of Shipping for appointment of required number of Independent Directors.

XXVIII. Corporate Governance

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

XXIX. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

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

(e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation — For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

XXX. Acknowledgements

Your Directors extend their gratitude to erstwhile Union Minister of Shipping, Shri Nitin Gadkari and Minister of State for Shipping Shri Mansukhlal Mandaviya, existing Union Minister of Shipping, Shri Mansukhlal Mandaviya and look forward to their support and guidance in managing the affairs of the Company. Your Directors also extend their gratitude to Shri Ravikant, former Secretary to the Government of India, Ministry of Shipping and the Secretary, Shri Gopal Krishna, Ministry of Shipping for their guidance.

Your Directors also wish to express their thanks to the officials in the Ministry of Shipping, Road Transport and Highways for the unstinted support given by them in various matters concerning the Company. Your Directors would also like to convey their thanks to other Ministries, Trade Organizations, and Shippers' Councils, who have played a vital role in the continued success of your Company. The Directors thank the shareholders and valued customers for the continued patronage extended by them to your Company.

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

For and on behalf of the Board of Directors

Capt. Anoop Kumar Sharma

Chairman & Managing Director

Place : Mumbai

Dated: 9th August, 2019

REPORT ON CORPORATE SOCIAL RESPONSIBILITY 2018-19

1	**A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**	The Corporate Social Responsibility vision of the company articulates its aim to be a corporate with its strategies, policies and actions aligned with wider social concerns, through initiatives in education, public health,women empowerment and other areas of social upliftment. The thrust of SCI CSR initiatives in 2018-2019 were in the following broad areas : 1) Promotion of Education 2) Eradicating Hunger & Malnutrition 3) Women Empowerment & Gender Equality 4) Employment Enhancing Vocational Skills for Divyangjans/PwD 5) Preventive Health Care 6) Projects under Swach Bharat Abhiyan & Ganga Rejuvenation Weblink: http://www.shipindia.com/csr/csrpage/overview
2	**The Composition of the CSR Committee**	In accordance with the provisions of the Companies Act 2013 and Companies (CSR Policy) Rules 2014, SCI has constituted two Committees for the effective implementation of its Corporate Social Responsibility Policy. They consist of: **Tier I Committee:** C&MD (Chairman of the committee) Three Independent Directors Director (P&A) - Ex officio member & Convener of the committee One Functional Director - Member **Tier II Committee:** DGM (P) – Ex officio Nodal Officer Chief Manager (CSR) - Ex officio member 2 Officials from Personnel & Administration Division.
3	**Average net profit of the company for last three financial years.**	₹ 209.99 Crores
4	**Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**	₹ 4.20 crores
5	**Details of CSR spent during the financial year**	(a) Total amount to be spent for the financial year; Rs. 4.20 Crores (b) Amount unspent , if any ; Rs. 2.17 Crores (c) Manner in which the amount spent during the financial year

REPORT ON CORPORATE SOCIAL RESPONSIBILITY 2018-19

"CSR Projects or activity Identified "	Sector in which the Project is covered	"Projects or programs (1) Local Area or other (2) Specify State and district where projects or programs was undertaken "	"Amount Outlay (budget) Project or Program wise"	"Amount Spent on the project or Programs Sub-heads: (i) Direct Expenditure on projects or programs (ii) Overheads:"	Cumulative Expenditure upto reporting period	Amount Spent : Direct or through Implementing Agency
SCI CSR Annual Grants to SC/ST/BPL students pursuing Ocean Engineering/Naval Architecture/ Nautical Science/Marine Engineering courses at premier institutes of the country.	Education	"Chennai/Mumbai/ Vizag/ Kolkata/ Kharagpur"	6,755,000.00	6,565,000.00	6,565,000.00	IIT's/IMU's/MTI
Support for setting up 100 Ekal Vidyalayas under the unique project 'One Village, One School, One Teacher'	Education	Nandurbar (aspirational district)	2,000,000.00	800,000.00	800,000.00	Friends of Tribals Society (FTS)
Provision for Mid Day Meal for 2500 school children	Eradicating Hunger & Malnutrition	Gujarat/UP	2,375,000.00	1,187,500.00	1,187,500.00	Akshaya Patra Foundation
Skill Development Training for 201 women in Apparel sector	Women Empowerment & Gender Equality	Osmanabad (aspirational district)	3,862,000.00	1,544,484.00	1,544,484.00	Apparel Made-ups Home Furnishing Sector Skill Council (Under Ministry of Skill Development & Entrepreneurship, Govt. of India)
Technical skill training to 197 Divyangjan	Employment Enhancing Vocational Skills for Divyangjans/ PwDs	Osmanabad (aspirational district)	4,226,000.00	1,267,695.00	1,267,695.00	National Handicapped Finance & Development Corporation
Distribution of aids & appliances to needy PwDs/Divyangjans through Artificial Limbs Manufacturing Corporation of India (ALIMCO)	Employment Enhancing Vocational Skills for Divyangjans/ PwDs	"Uran, Maharashtra"	2,500,000.00	-	-	Artificial Limbs Manufacturing Corporation of India (ALIMCO)
Augmentation of facilities at Kayakalp, an AYUSH Hospital established at Vivekananda Medical Research Institute	Preventive Healthcare	Palampur, Himachal Pradesh	10,000,000.00	-	-	Vivekananda Medical Research Trust

REPORT ON CORPORATE SOCIAL RESPONSIBILITY 2018-19

"CSR Projects or activity Identified "	Sector in which the Project is covered	"Projects or programs (1) Local Area or other (2) Specify State and district where projects or programs was undertaken "	"Amount Outlay (budget) Project or Program wise"	"Amount Spent on the project or Programs Sub-heads: (i) Direct Expenditure on projects or programs (ii) Overheads:"	Cumulative Expenditure upto reporting period	Amount Spent : Direct or through Implementing Agency
Construction of 19 nos. of school toilets	Swachh Bharat Abhiyan	West Bengal	2,494,000.00	1,246,799.00	1,246,799.00	Bharat Sevashram Sangha
Distribution of 10000 nos. of Re-usable cloth bags at various Municipal Schools	Swachh Bharat Abhiyan	Mumbai	500,000.00	370,000.00	370,000.00	The National Association of Disabled's Enterprises
Contribution to Clean Ganga Fund	Ganga Rejuve-nation	India	7,000,000.00	7,000,000.00	7,000,000.00	Clean Ganga Fund
Travel & Training Expenses	Administrative Exp.	All project locations	288,000.00	285,000.00	285,000.00	Direct
		Total	**42,000,000.00**	**20,266,478.00**	**20,266,478.00**	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

The entire amount of Rs 4.20 crores earmarked towards CSR initiatives for the FY 2018-19 has been allocated for various projects. As implementation of most of the initiatives (projects) undertaken are spread over long periods, funds are released in installments as per the terms of MoU signed with the implementing agencies. Accordingly, Rs 2.03 crores have been disbursed and an amount of Rs 2.17 crores remains unspent, which will be disbursed on completion of relevant milestones.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

The CSR Sub Committee of the Board has approved the allocation of CSR fund for the various projects undertaken during the year 2018-19 which are in compliance with the Objectives and CSR Policy of the Company

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

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

The Directors present the Business Responsibility Report of the Company for the Financial Year ended on 31st March 2019, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN)**	L63030MH1950GOI008033
2.	**Name of the Company**	The Shipping Corporation of India Limited
3.	**Registered address**	'Shipping House', 245, Madame Cama Road, Mumbai-400 021.
4.	**Website**	www.shipindia.com
5.	**E-mail id**	hr@sci.co.in
6.	**Financial Year Reported**	2018-19
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	61100
8.	**List three key products/services that the Company manufactures/provides (as in Balance Sheet)**	1. Dry Bulk Transportation Services 2. Crude Oil & POL Transportation 3. Container Transportation Services 4. Offshore Services. 5. Marine Technical Services
9.	**Total number of locations where business activity is undertaken by the Company** **i. Number of International Locations (Provide details of major 5)** **ii. Number of National Locations**	I. International a) London II. National a) Mumbai b) Kolkata c) Chennai d) New Delhi e) Port Blair
10.	**Markets served by the Company – Local/ State/ National/ International**	National/ International

Section B: Financial Details of the Company

1.	**Paid up Capital (INR) :**	₹ 46,580 lakhs
2.	**Total Turnover (INR) :**	₹ 4,14,409 Lakhs
3.	**Total profit after taxes (INR) :**	₹ (-) 12,199 Lakhs
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :**	₹ 420 lakhs (To be read w.r.t. note 26(b) of the accounts of the Company)
5.	**List of activities in which expenditure in 4 above has been incurred:**	In accordance with the schedule VII of the Companies Act,2013 the areas of CSR initiatives for FY 2018-19 are as follows: a. Promotion of Maritime Education. b. Eradicating Hunger & Malnutrition c. Women Empowerment & Gender Equality d. Employment Enhancing Vocational Skills for Divyangjans/ PwDs e. Promotion of Preventive Health Care f. Projects under the Swachh Bharat Abhiyan & Ganga Rejuvenation as per Govt. of India notification

Section C: Other Details

1.	**Does the Company have any Subsidiary Company/ Companies?**	M/s Inland & Coastal Shipping Ltd (a wholly owned subsidiary)
2.	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	As on 31.03.2019, the company was not operational.

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- DIN : 08116127
- Name : Shri SPS Jaggi
- Designation : Director (P&A)

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Ms. Sashikala Charles
3.	Designation	GM (P&A)
4.	Telephone number	022-2277 2562
5.	e-mail id	shashikala.charles@sci.co.in

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

(a) Details of compliance (Reply in Y/N)

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	**Do you have a policy for all the principles?**	YES								
2.	**Has the policy being formulated in consultation with the relevant stakeholders?**	YES								
3.	**Does the policy conform to any national/international standards? If yes, specify? (50 words)**	SCI BR Policy is based on SEBI guidelines and principles of UN Global Compact, Transparency International ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007 Standards.								
4.	**Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**	YES								
5.	**Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**	YES								
6.	**Indicate the link for the policy to be viewed online**	http://www.shipindia.com/upload/investorsubpage/Business_Responsibilty_Policy-99d9bc.pdf								
7.	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	The Policy has been displayed on SCI website which can be accessed by General Public.								
8.	**Does the company have in-house structure to implement the policy/policies?**	YES								
9.	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**	YES. The Stakeholder Grievance Committee is functional as per the SEBI (LODR) Regulation, 2015.								
10.	**Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	NO. SCI has started implementing the structural requirement to address issues of BRR. The process is still under nascent stage in some areas and it is not necessary for SCI to conduct an audit at this stage. Once the process emerges completely, SCI Management will take necessary decision for audit. The policy extends to the JVs, subsidiaries, suppliers, contractors to the extent they are dealing with SCI.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

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

3. Governance related to BR

1.	**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**	Annually
2.	**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**	YES, The BR was published in previous year as a part of 68th Annual Report (FY 17-18) http://www.shipindia.com/upload/investorsubpage/Business_Responsibilty_Policy-99d9bc.pdf. It is published annually.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.
   - No. It covers all the stakeholders including company's employees & Directors.

   Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
   - The policy extends to the Joint Ventures, Subsidiaries, suppliers, contractors etc., to the extent they are dealing with SCI.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
   - Details w.r.t. Stakeholders' Grievances received, pending and redressed during the year are as follows:

Sr No	Particulars	No. of Investor Complaints	No. of Customer Complaints	No. of Employee Complaints	No. of Other Complaints
1	Complaints pending at beginning of year 01.04.2018	0	0	5	5
2	Complaints received during the year	6	0	23	81
	1st Qtr	1	0	7	20
	2nd Qtr	1	0	6	41
	3rd Qtr	3	0	3	10
	4th Qtr	1	0	7	10
3	Complaints disposed of during the year	6	0	27	79
4	Complaints remaining unresolved at the end of the year 31.03.2019	0	0	1	7

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
   - The company is engaged in the business of providing Sea transportation services. The company has adopted latest technologies on its ships to improve environmental sustainability by:

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

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

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

iv. Use of solar power & LED lighting.

v. Refrigerant used in AC plants onboard ships is environment friendly as a safeguard against Ozone layer depletion.

vi. All new vessels comply with Green Passport or equivalent notation which requires list of hazardous materials to be onboard, which will be useful while recycling/handling of hazardous materials.

vii. The newly inducted vessels are being fitted with Ballast Water Treatment system and the existing vessels will be fitted with the same in a phased manner.

viii. Vessels have Ship Energy Efficiency Management Plan (SEEMP) onboard which reduce Sox & C02 emission by minimizing fuel consumption.

ix. Slow steaming of vessel is done whenever possible, thereby reducing fuel consumption and related emissions.

2. For each such product, provide the following details in respect of resource use(energy, water, raw material etc.) per unit of product(optional):

   I. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      ➢ The measures cited above in Para 1 have enabled the vessels to operate progressively in a more efficient manner. There has been a reduction of consumption of electricity by around 6% and water by around 18% year on year basis.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   I. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

      ➢ Yes.
      The company sources the bunker fuel for its ships which has less than 0.1% of sulphur content for ECA areas and not more than 3.5% for other areas, as per the prevailing IMO regulations.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

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

   ➢ SCI continues to support MSMEs in areas of supplies & services where such MSME vendors are present, thus implementing the Public Procurement Policy of Govt. of India. During the financial year 2018-19, the procurement from MSME vendors is about 25.50%, complying the D.O. letter No.19(07)/2018-SME dated 04.01.2019 from the Micro, Small and Medium Enterprises and also from the Department of Public Enterprises vide their OM dated 08.01.2019.
   SCI participates in various workshops / seminars arranged for the benefit of MSME vendors to make them aware of SCI's requirements.

   ➢ Procurement of goods and services is carried out from the local empanelled workshops all around India. Parties are selected through tendering procedure. Supply of stores and repairs onboard ship is done through local vendors/ workshops on Vessels calling Indian ports.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   ➢ Old/expired batteries and pyrotechnics are handed over to authorized vendors for safe disposal/recycling.

Principle 3

1. Please indicate the Total number of employees
   ➢ 676 as on 31.03.2019
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis
   ➢ 19 as on 31.03.2019
3. Please indicate the Number of permanent women employees
   ➢ 142 as on 31.03.2019
4. Please indicate the Number of permanent employees with disabilities
   ➢ 10 as on 31.03.2019
5. Do you have an employee association that is recognized by management
   ➢ YES
6. What percentage of your permanent employees is members of this recognized employee association?
   ➢ The company encourages voluntary participation of its employees.

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

1. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

2. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   - Permanent Employees : 30.47%
   - Permanent Women Employees : 40.14%
   - Casual/Temporary/Contractual Employees : NIL
   - Employees with Disabilities : 30%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No
   - Yes. The company recognizes the role of its employees, shareholders, customers and suppliers as its stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
   - SCI continues to support MSME's in areas of supplies and services where such MSME vendors are present.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
   - Yes. SCI follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ST/OBC/PWD (Persons with Disabilities)/Ex servicemen to promote inclusive growth. Efforts are made to promptly dispose of representations/grievances received from SC/ST employees. Employees belonging to PWD category have been assigned jobs which they can perform efficiently keeping in view their disability. A permanent ramp has been erected at the entrance gate of the corporate office for easy mobility of a PWD employee who uses wheel chair. Accessible toilets have also been constructed in the premises. In addition, CSR initiatives are undertaken to maximize benefits to the disadvantages, vulnerable and marginalized stakeholders. There is also a Stakeholder's Relationship Committee (subcommittee of Board) in SCI to look into above matters.

     Ministry is maintaining a Centralized portal where grievances pertaining to SCI are looked into and redressed in a timely manner.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
   - The policy covers to the Company and its Joint Venture Companies, to the extent they are dealing with SCI.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   - Details w.r.t. Stakeholders Grievances received, pending and redressed during the year are as follows:

Sr. No.	Particulars	No. of Investor Complaints	No. of Customer Complaints	No. of Employee Complaints	No. of Other Complaints
1	Complaints pending at beginning of year 01.04.2018	0	0	5	5
2	Complaints received during the year	6	0	23	81
	1st Qtr	1	0	7	20
	2nd Qtr	1	0	6	41
	3rd Qtr	3	0	3	10
	4th Qtr	1	0	7	10
3	Complaints disposed of during the year	6	0	27	79
4	Complaints remaining unresolved at the end of the year 31.03.2019	0	0	1	7

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.
   - The policy on Safety, Occupational Health & Environment Protection covers the company and its Joint Venture companies. Being a member of the UN Global Compact, SCI functions in an environmentally responsible fashion.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
   - Company is in the process of installation of “Ballast water Treatment system” on ship’s in phased manner. Lower sulphur content compliant fuel (0.5%) will be used on ship’s starting from Jan’2020. All the Ship’s in the fleet comply with MARPOL regulations and have been certified with IOPP (International Oil Pollution Prevention), IAPP (International Air Pollution Prevention) certificate and ISPP (International Sewage Pollution Prevention) certificate. This has been discussed in detail in the Directors Report under the para: Management Discussion & Analysis.
3. Does the company identify and assess potential environmental risks? Y/N
   - Yes.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   - Yes.
     All vessels have various certification as per environment compliance requirements of IMO. Vessels equipment’s certification to remain in class is verified during annual/ special survey.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
   - Yes.
     Company has started installing Ballast Water Treatment system in a phased manner and is also having Ship Energy Efficiency Management Plan (SEEMP) onboard the vessel.
     Usage of ecofriendly refrigerants like R407A etc. in place of R22 and R12, the HFC (Hydro Fluro Carbon) refrigerants (having Ozone depletion potential)
     The Company has also installed a 515 KW rooftop Solar Energy plant at Maritime Training Institute, Powai (Mumbai).
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
   - Emissions/Waste generated by the company Ships are in compliance as per IMO requirements.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
   - Nil.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   1. Bombay Chambers of Commerce & Industry (BCCI)
   2. Association of Multi-modal Transport Operators of India (AMTOI)
   3. Indian National Ship Owner's Association (INSA)
   4. Federation of Indian Chambers of Commerce & Industry (FICCI)
   5. Confederation of Indian Industry (CII)
   6. Baltic & International Maritime Council (BIMCO)
   7. Standing Conference of Public Enterprises (SCOPE)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).
   - The company being an active member of the trade bodies/ associations / Autonomous bodies always lobbies for various initiatives in Economic Reforms, Energy, Security.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
   - Yes. The various CSR initiatives taken by SCI are:

A. Promotion of Education
Annual Grants to meritorious students from weaker section of the society, viz. SC/ST/BPL candidates, pursuing Maritime Education at premier institutes (IMU's, IIT's & MTI)
Setting up 100 Ekal Vidyalayas under the unique project 'One Village, One School, One Teacher'
B. Eradicating Hunger & Malnutrition
Provision of Mid-Day meals for 2500 school children.
C. Women Empowerment & Gender Equality
Skill Development Training for 201 women in apparel sector
D. Employment Enhancing Vocational Skills for Divyangjans/PwDs
Technical Skill training to 197 Divyangjan/PwDs
Empowerment of divyangjans by distribution of assistive devices to them
E. Promoting Preventive Health Care
Augmentation of facilities at Kayakalp, an AYUSH Hospital established at Vivekananda Medical Research Institute, Palampur
F. Swachh Bharat Abhiyan& Ganga Rejuventaion
Constructions of 19 nos. of schools toilets at various schools run by Bharat SevashramSangha.
Distribution of re-usable cloth bags at various municipal schools in view to the plastic ban in Maharashtra
Contribution to the Clean Ganga Fund of Government of India for strengthening the National Mission for Clean Ganga

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?
   - The projects have been undertaken by the company with active support & collaboration with government authorities / specialized agencies.
3. Have you done any impact assessment of your initiative?
   - The company undertakes an Impact Assessment of the CSR initiatives to ensure that the resources are gainfully utilized for the welfare of the intended communities.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects under-taken?
   - Rs. 420 Lakhs (2018-19)
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   - The various CSR initiatives are taken with focus on welfare of the economically and socially deprived sections of the society, which are implemented mostly after conducting baseline surveys. It is also our endeavor that a large section of the society is benefited from our initiatives.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
   - No customer /consumer/ shareholders' complaints are pending as on end of financial year.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)
   - The company does not manufacture any product. The company being a service provider displays all its services on its website.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
   - Not Applicable.
4. Did your company carry out any consumer survey/ consumer satisfaction trend.
   - No consumer survey or consumer satisfaction trend was carried out by company but company being in service sector customer satisfaction reports generated by operating division for the service provided by our fleet vessels to customers is analyzed internally and trend analysis is done annually.

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	**CIN**	L63030MH1950GOI008033
ii	**Registration Date**	24.03.1950
iii	**Name of the Company**	The Shipping Corporation of India Ltd.
iv	**Category/Sub-category of the Company**	Company limited by shares / Union Government Company
v	**Address of the Registered office & contact details**	Shipping House, 245, Madame Cama Road, Mumbai-400 021 Shri Dipankar Haldar, ED(LA) & CS, Tel- 022 22772213
vi	**Whether listed company**	Yes
vii	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	**M/s. Bigshare Services Pvt Ltd** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Maharashtra. **Tel:** 022 62638200, **Fax :** 022 62638299 **Email:** investor@bigshareonline.com **Website:** www.bigshareonline.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

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

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

<table>
<tr><th>Sl. No.</th><th>Name & Address of the Company</th><th>CIN/GLN</th><th>Holding/Subsidiary/ Associate</th><th>% Of Shares Held</th><th>Applicable Section</th></tr>
<tr><td>1</td><td>India LNG Transport Co.(No. 1) Ltd.
171, Old Bakery Street, Valletta,Malta.</td><td rowspan="5">NA</td><td rowspan="6">Associate</td><td>29.08%</td><td rowspan="6">2(6)</td></tr>
<tr><td>2</td><td>India LNG Transport Co. (No. 2) Ltd.
171, Old Bakery Street, Valletta,Malta.</td><td>29.08%</td></tr>
<tr><td>3</td><td>India LNG Transport Co. (No. 3) Ltd.
171, Old Bakery Street, Valletta,Malta.</td><td>26.00%</td></tr>
<tr><td>4</td><td>India LNG Transport Co. (No. 4) Ltd.
1, Harbourfront Place, # 13-01, Harbourfront Tower One, Singapore</td><td>26.00%</td></tr>
<tr><td>5</td><td>Irano Hind Shipping Co. Ltd.
“Irano Hind Building”, Adj. Mehrshad St., Sedaghat St. Opp. Park Mellat, Valiasr Ave., Tehran, Iran.</td><td>49.00%</td></tr>
<tr><td>6</td><td>SAIL SCI Shipping Pvt. Ltd.
“Shipping House”, 13, Strand Road,
Kolkatta – 700 001.</td><td>U61100WB2010PTC148428</td><td>50.00%</td></tr>
<tr><td>7</td><td>Inland & Coastal Shipping Ltd.
“Shipping House”, 13, Strand Road, Kolkatta – 700 001.</td><td>U61100WB2016GOI217822</td><td>Subsidiary</td><td>100.00%</td><td>2(87)</td></tr>
</table>

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	29,69,42,977	0	29,69,42,977	63.75	29,69,42,977	0	29,69,42,977	63.75	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
F) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**29,69,42,977**	**0**	**29,69,42,977**	**63.75**	**29,69,42,977**	**0**	**29,69,42,977**	**63.75**	**0.00**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**29,69,42,977**	**0**	**29,69,42,977**	**63.75**	**29,69,42,977**	**0**	**29,69,42,977**	**63.75**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	406500	0	406500	0.09	2059685	0	2059685	0.44	0.35
b) Banks / FI	6822649	0	6822649	1.46	6153109	0	6153109	1.32	(0.14)
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	76097182	0	76097182	16.34	68052095	0	68052095	14.61	(1.73)
g) FIIs	3884644	2400	3887044	0.83	3309720	0	3309720	0.71	(0.12)
h) Foreign Portfolio - Corp.	11143301	0	11143301	2.39	7451281	0	7451281	1.60	(0.79)
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**98354276**	**2400**	**98356676**	**21.12**	**87025890**	**0**	**87025890**	**18.68**	**(2.43)**

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	13135222	13850	13149072	2.82	14976100	13700	14989800	3.22	0.40
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	37435799	27467	37463266	8.04	42589555	20769	42610324	9.15	1.10
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12102863	160150	12263013	2.63	16113170	143150	16256320	3.49	0.86
c) Others (specify)									
Non Resident Indians	27,08,852	324250	30,33,102	0.65	3520326	324100	3844426	0.83	0.17
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
NBFC	25888	0	25888	0.01	51223	0	51223	0.01	0.01
Trusts	338482	0	338482	0.07	271732	0	271732	0.06	(0.01)
Clearing Member	4204772	0	4204772	0.90	3573582	0	3573582	0.77	(0.14)
IEPF	21762	0	21762	0.00	232736	0	232736	0.05	0.05
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**69973640**	**525717**	**70499357**	**15.14**	**81328424**	**501719**	**81830143**	**17.57**	**2.43**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**168327916**	**528117**	**168856033**	**36.25**	**168354314**	**501719**	**168856033**	**36.25**	**0.00**
TOTAL (A)+(B)	**465270893**	**528117**	**465799010**	**100.00**	**465297291**	**501719**	**465799010**	**100.00**	**0.00**
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (C):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
GRAND TOTAL (A)+(B)+(C)	**465270893**	**528117**	**465799010**	**100.00**	**465297291**	**501719**	**465799010**	**100.00**	**0.00**

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1.	President of India	296942977	63.75	0.00	296942977	63.75	0.00	
	Total	**296942977**	**63.75**	**0.00**	**296942977**	**63.75**	**0.00**	**0.00**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING - Nil

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	**LIFE INSURANCE CORPORATION OF INDIA - ULIF004200910LICEND+GRW512**	63518884	13.64	01/04/2018	NA	NA	63518884	13.64
				15/02/2019	564082	Sell	62954802	13.52
				22/02/2019	1096222		61858580	13.28
				01/03/2019	1291000		60567580	13.00
				08/03/2019	870355		59697225	12.82
				15/03/2019	2160000		57537225	12.35
				22/03/2019	1376547		56160678	12.06
				29/03/2019	686881		55473797	11.91
		55473797	11.91	31/03/2019				
2.	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	4958095	1.06	01/04/2018	NA	NA	4958095	1.06
		4958095	1.06	31/03/2019				
3.	**GENERAL INSURANCE CORPORATION OF INDIA**	4000000	0.86	01/04/2018	NA	NA	4000000	0.86
		4000000	0.86	31/03/2019				
4.	**MARWADI SHARES AND FINANCE LIMITED**	2754472	0.59	01/04/2018	NA	NA	2754472	0.59
				06/04/2018	121629	Sell	2632843	0.57
				13/04/2018	29096	Buy	2661939	0.57
				20/04/2018	7708	Buy	2669647	0.57
				27/04/2018	6452	Sell	2663195	0.57
				04/05/2018	2076	Buy	2665271	0.57
				11/05/2018	35243	Buy	2700514	0.58
				18/05/2018	50255	Buy	2750769	0.59
				25/05/2018	28302	Buy	2779071	0.60
				01/06/2018	125659	Buy	2904730	0.62
				08/06/2018	109554	Sell	2795176	0.60
				15/06/2018	12419	Buy	2807595	0.60
				22/06/2018	10639	Sell	2796956	0.60

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				29/06/2018	3377	Buy	2800333	0.60
				06/07/2018	1472	Buy	2801805	0.60
				13/07/2018	652119	Buy	3453924	0.74
				20/07/2018	680765	Buy	4134689	0.89
				27/07/2018	8078	Sell	4126611	0.89
				03/08/2018	6958	Buy	4133569	0.89
				10/08/2018	12942	Buy	4146511	0.89
				17/08/2018	4705	Buy	4151216	0.89
				24/08/2018	161605	Sell	3989611	0.86
				31/08/2018	599205	Sell	3390406	0.73
				07/09/2018	647899	Sell	2742507	0.59
				14/09/2018	751027	Sell	1991480	0.43
				18/09/2018	208084	Buy	2199564	0.47
				20/09/2018	2034	Sell	2197530	0.47
				21/09/2018	2294	Sell	2195236	0.47
				25/09/2018	764916	Buy	2960152	0.64
				28/09/2018	583980	Buy	3544132	0.76
				05/10/2018	60277	Buy	3604409	0.77
				12/10/2018	78706	Sell	3525703	0.76
				19/10/2018	10334	Sell	3515369	0.75
				26/10/2018	22211	Buy	3537580	0.76
				02/11/2018	15441	Sell	3522139	0.76
				09/11/2018	6840	Sell	3515299	0.75
				16/11/2018	64576	Buy	3579875	0.77
				23/11/2018	18574	Sell	3561301	0.76
				30/11/2018	46041	Sell	3515260	0.75
				07/12/2018	1618	Buy	3516878	0.76
				14/12/2018	13335	Buy	3530213	0.76
				21/12/2018	52193	Buy	3582406	0.77
				28/12/2018	935661	Buy	4518067	0.97
				31/12/2018	23088	Sell	4494979	0.97
				04/01/2019	3020003	Sell	1474976	0.32
				11/01/2019	18537	Sell	1456439	0.31
				18/01/2019	183966	Sell	1272473	0.27
				25/01/2019	741	Sell	1271732	0.27
				01/02/2019	34875	Buy	1306607	0.28
				08/02/2019	1491769	Buy	2798376	0.60
				15/02/2019	24387	Buy	2822763	0.61
				22/02/2019	1184	Sell	2821579	0.61

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				01/03/2019	195	Buy	2821774	0.61
				08/03/2019	1435	Buy	2823209	0.61
				15/03/2019	2207808	Buy	5031017	1.08
				22/03/2019	6487	Sell	5024530	1.08
				29/03/2019	193312	Buy	5217842	1.12
		5217842	1.12	31/03/2019				
5.	ICICI PRUDENTIAL VALUE FUND - SERIES 19	0	0	01/04/2018	NA	NA	0	0
				28/09/2018	187577	Buy	187577	0.04
				26/10/2018	89691		277268	0.06
				02/11/2018	14279		291547	0.06
				21/12/2018	160000		451547	0.10
				28/12/2018	32050		483597	0.10
				22/02/2019	603324		1086921	0.23
				01/03/2019	966158		2053079	0.44
		2053079	0.44	31/03/2019				
6.	ISSL SETTLEMENT AND TRANSACTION SERVICES LIMITED	1168724	0.25	01/04/2018	NA	NA	1168724	0.25
				06/04/2018	1000000	Buy	2168724	0.47
				20/04/2018	1168000	Sell	1000724	0.21
				27/04/2018	500	Sell	1000224	0.21
				11/05/2018	1000000	Buy	2000224	0.43
				15/06/2018	224	Sell	2000000	0.43
				25/01/2019	2200000	Buy	4200000	0.90
				15/02/2019	2200000	Sell	2000000	0.43
		2000000	0.43	31/03/2019				
7.	NATIONAL INSURANCE COMPANY LTD	1991333	0.43	01/04/2018	NA	NA	1991333	0.43
		1991333	0.43	31/03/2019				
8.	PUNJAB NATIONAL BANK	1906153	0.41	01/04/2018	NA	NA	1906153	0.41
		1906153	0.41	31/03/2019				
9.	IL AND FS SECURITIES SERVICES LIMITED	2534032	0.54	01/04/2018	NA	NA	2534032	0.54
				06/04/2018	134018	Buy	2668050	0.57
				13/04/2018	9718	Sell	2658332	0.57
				20/04/2018	994311	Buy	3652643	0.78
				27/04/2018	48488	Sell	3604155	0.77
				04/05/2018	19066	Sell	3585089	0.77
				11/05/2018	904401	Sell	2680688	0.58
				18/05/2018	11763	Buy	2692451	0.58
				25/05/2018	20428	Buy	2712879	0.58
				01/06/2018	35394	Sell	2677485	0.57
				08/06/2018	8366	Buy	2685851	0.58

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Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				15/06/2018	53448	Sell	2632403	0.57
				22/06/2018	32943	Sell	2599460	0.56
				29/06/2018	5480	Sell	2593980	0.56
				30/06/2018	1527	Buy	2595507	0.56
				06/07/2018	74280	Buy	2669787	0.57
				13/07/2018	114030	Sell	2555757	0.55
				20/07/2018	23678	Sell	2532079	0.54
				27/07/2018	27066	Buy	2559145	0.55
				03/08/2018	77260	Buy	2636405	0.57
				10/08/2018	76470	Buy	2712875	0.58
				17/08/2018	50464	Buy	2763339	0.59
				24/08/2018	68066	Buy	2831405	0.61
				31/08/2018	39069	Buy	2870474	0.62
				07/09/2018	122192	Buy	2992666	0.64
				14/09/2018	501522	Sell	2491144	0.53
				18/09/2018	5305	Sell	2485839	0.53
				21/09/2018	8300	Sell	2477539	0.53
				25/09/2018	84421	Sell	2393118	0.51
				28/09/2018	7950	Buy	2401068	0.52
				29/09/2018	500	Sell	2400568	0.52
				05/10/2018	14398	Buy	2414966	0.52
				12/10/2018	70515	Buy	2485481	0.53
				19/10/2018	1638	Sell	2483843	0.53
				26/10/2018	140908	Buy	2624751	0.56
				02/11/2018	51591	Buy	2676342	0.57
				09/11/2018	133919	Sell	2542423	0.55
				16/11/2018	124902	Sell	2417521	0.52
				23/11/2018	20572	Buy	2438093	0.52
				30/11/2018	24783	Sell	2413310	0.52
				07/12/2018	144010	Buy	2557320	0.55
				14/12/2018	315556	Buy	2872876	0.62
				21/12/2018	9076	Sell	2863800	0.61
				28/12/2018	1220776	Sell	1643024	0.35
				31/12/2018	26784	Sell	1616240	0.35
				04/01/2019	3012660	Buy	4628900	0.99
				11/01/2019	140435	Buy	4769335	1.02
				18/01/2019	212691	Buy	4982026	1.07
				25/01/2019	2111933	Sell	2870093	0.62
				01/02/2019	27487	Buy	2897580	0.62

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				08/02/2019	1451118	Sell	1446462	0.31
				15/02/2019	2223773	Buy	3670235	0.79
				22/02/2019	24297	Sell	3645938	0.78
				01/03/2019	23420	Buy	3669358	0.79
				08/03/2019	175126	Buy	3844484	0.83
				15/03/2019	2136229	Sell	1708255	0.37
				22/03/2019	3198	Sell	1705057	0.37
				29/03/2019	151764	Sell	1553293	0.33
				30/03/2019	12630	Sell	1540663	0.33
		1540663	0.33	31/03/2019				
10	**DIMENSIONAL EMERGING MARKETS VALUE FUND**	1795911	0.39	01/04/2018	NA	NA	1795911	0.39
				03/08/2018	65988	Sell	1729923	0.37
				10/08/2018	45535	Sell	1684388	0.36
				07/12/2018	32149	Sell	1652239	0.35
				15/02/2019	60159	Sell	1592080	0.34
				22/02/2019	39530	Sell	1552550	0.33
				01/03/2019	53541	Sell	1499009	0.32
		1499009	0.32	31/03/2019				

(v) Shareholding of Directors & KMP:

The Directors and KMPs do not hold any shares in SCI.

V : INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment					(₹ in lakhs)
		Secured Loans excluding deposits *	**Unsecured Loans****	**Deposits**	**Total Indebtedness**
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	3,79,061.00	1,79,476.00	-	5,58,537.00
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2,698.25	537.63	-	3,235.88
	Total (i + ii + iii)	**3,81,759.25**	**1,80,013.63**	-	**5,61,772.88**
	Change in Indebtedness during the financial year				
	Addition	-	1,88,720.69	-	1,88,720.69
	Reduction***	82,698.65	1,36,111.18	-	2,18,809.83
	Net Change	**(82,698.65)**	**51,363.37**	-	**(30,089.14)**
	Indebtedness at the end of the financial year				
i)	Principal Amount	2,96,368.00	2,31,377.00	-	5,27,745.00
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2692.60	1246.14	-	3938.74
	Total (i + ii + iii)	**2,99,060.60**	**2,32,623.14**	-	**5,31,683.74**

* The Secured Loans includes current maturities on Long term Loans which are included under Financial Other Current Liabilities in the Financial Statements.

**Unsecured Loan is comprising of both short term and long term loans.

***Includes changes due to Forex.

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

VI : REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Anoop Kumar Sharma	Harjeet Kaur Joshi	Shrikant Kher	Sangeeta Sharma	Rajesh Sood	Surinder Pal Singh Jaggi	
1	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35,48,260	37,01,191	49,21,579	32,27,750	31,60,338	30,35,442	**2,15,94,560**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	37,720	2,36,589	1,96,046	1,72,144	1,39,793	1,28,137	**9,10,429**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commision							
	as % of Profit	-	-	-	-	-	-	-
	others (specify)	-	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-	-
	Total (A)	**35,85,980**	**39,37,780**	**51,17,626**	**33,99,894**	**33,00,131**	**31,63,578**	**2,25,04,990**
	Ceiling as per the Act	-	-	-	-	-	-	-

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Name of Directors	Particulars of Remuneration			
		Fee for attending board/committee meetings	Commission and/ or any other remu- neration	Others, please specify	Total
	i. INDEPENDENT DIRECTORS				
1.	Arun Balakrishnan	4,40,000	-	-	4,40,000
2.	Sukamal Chandra Basu	4,00,000	-	-	4,00,000
3.	Raj Kishore Tewari	3,20,000	-	-	3,20,000
4.	Gautam Sinha	4,00,000	-	-	4,00,000
5.	P. Kanagasabapathi	3,00,000	-	-	3,00,000
6.	Vijay Jadhao	1,40,000	-	-	1,40,000
7.	Mavjibhai Sorathia	60,000	-	-	60,000
8.	Archana Ramasundaram	60,000	-	-	60,000
				TOTAL (B1)	**21,20,000**
	ii. OTHER NON-EXECUTIVE DIRECTORS				
9.	Shambhu Singh	-	-	-	-
10.	Satinder Pal Singh	-	-	-	-
				TOTAL (B2)	**-**
				GRAND TOTAL (A+B1+B2)	**2,46,24,990**

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO*	CFO**	Company Secretary	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35,48,260	37,01,191	38,82,152	1,11,31,603
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	37,720	2,36,589	2,61,714	5,36,023
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	as % of Profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**35,85,980**	**39,37,780**	**41,43,866**	**1,16,67,626**

*Capt. Anoop Kumar Sharma is holding the position of CEO for which he does not receive any separate remuneration. The above mentioned components of his remuneration are the same as declared under Para VI(A) above.

**Smt Harjeet Kaur Joshi is holding the position of CFO for which she does not receive any separate remuneration. The above mentioned components of her remuneration are the same as declared under Para VI(A) above.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no Penalties/ Punishment/ Compounding of Offences for the year ending 31st March, 2019.

STATEMENT PURSUANT TO ASSOCIATE COMPANIES & JOINT VENTURES

FORM AOC-I

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

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

Part "A": Subsidiaries (₹ in lakhs)

Sl. No.	Particulars	Details
1.	**Name of the subsidiary**	Inland & Coastal Shipping Limited*
2.	**Financial Year ending on**	31.03.2019
3.	**Reporting Currency**	INR
4.	**Share capital**	5
5.	**Reserves & surplus**	-9.6
6.	**Total assets**	5.31
7.	**Total Liabilities**	9.90
8.	**Investments**	0
9.	**Turnover**	0
10.	**Profit before taxation**	0.020
11.	**Provision for taxation**	0.004
12.	**Profit after taxation**	0.016
13.	**Proposed Dividend**	0
14.	**% of shareholding**	100

*"Inland and Coastal Shipping Limited " (ICSL) is wholly owned subsidiary company incorporated in India on 29th September 2016. ICSL is yet to commence commercial operations. For the purpose of consolidation, profit/loss for ICSL has been taken from the audited financial statements for the year ending 31st March 2019.The above subsidiary accounts are audited by the auditors other than statutory auditors of the Company.

PART "B" : Associate Companies and Joint Ventures

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

Name of Associates/Joint Venture	India LNG Transport Co. (No. 1) Ltd.	India LNG Transport Co. (No. 2) Ltd.	India LNG Transport Co. (No. 3) Ltd.	India LNG Transport Co. (No. 4) Ltd.	Irano Hind Shipping Company Ltd.	SAIL SCI Shipping Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.12.2018	31.12.2018	31.12.2018	31.12.2018	20.03.2017	31.03.2016
2.Date on which the Associate or Joint Venture was associated or acquired	21.05.2001	21.05.2001	05.12.2006	13.11.2013	20.03.1975	02.08.2010
3. Shares of Associate/Joint Ventures held by the company at year end						
No. of Shares	2908	2908	2600	11036558	46060000	100000

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

Name of Associates/Joint Venture	India LNG Transport Co. (No. 1) Ltd.	India LNG Transport Co. (No. 2) Ltd.	India LNG Transport Co. (No. 3) Ltd.	India LNG Transport Co. (No. 4) Ltd.	Irano Hind Shipping Company Ltd.	SAIL SCI Shipping Pvt. Ltd.
Amount of Investment in Associates/Joint Venture (in lakhs)	3	3	1	7352	39	10
Extent of Holding	29.08%	29.08%	26%	26%	49%	50%
4. Description of how there is significant influence	shareholding	shareholding	shareholding	shareholding	shareholding	shareholding
5.Reason why associate/ joint venture is not consolidated	NA	NA	NA	NA	IHSC is an investment held for sale	SAIL SCI is an investment held for sale
6. Networth attributable to shareholding as per latest audited Balance sheet (₹ in lakhs)	9471	9481	-3435	8314	-10003	7
7. **Profit / (-) Loss for the year (₹ in lakhs)***						
i. Considered in consolidation	2127	2341	186	1465	NA	NA
ii. Not considered in consolidation	NA	NA	NA	NA	-6885	0

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

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

As per our report of even date attached hereto.

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

CA Chetan R. Sapre
Partner
Membership No. 116952

For A. BAFNA & CO.
Chartered Accountants
FR. No.003660C

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA) &
Company Secretary

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman &
Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2019 which were not at arm's length basis.
2. **Details of material contracts or arrangement or transactions at arm's length basis**
   The details of material contracts or arrangement or transaction at arm's length basis for the year ended 31st March, 2019 are as follows:

Name of the related party	Nature of relationship	Duration of contracts/ arrange-ments/ transactions (yr)	Salient terms of the contract or arrangements	Nature of Transactions	Material Transactions (in INR lacs)	Date (s) of approval by the Board, if any	Amount paid as advances, if any
ILT No. 1 Ltd.	Joint Venture Company	till 2028	Based on transfer pricing guidelines	Management & Accounting fee	477	12.12.2008	No advances
				Interest on SHL*	252	06.05.2001	
				SHL provided/ (repaid by JV)	(1,400)		
				Guarantees given during the Year	1,663	06.05.2001	
				TOTAL	**(671)**		
ILT No. 2 Ltd.	Joint Venture Company	till 2028	Based on transfer pricing guidelines	Management & Accounting fee	477	12.12.2008	No advances
				Interest on SHL*	237	06.05.2001	
				SHL provided/ (repaid by JV)	(1,318)		
				Guarantees given during the Year	1,628	06.05.2001	
				TOTAL	**(604)**		
ILT No. 3 Ltd.	Joint Venture Company	till 2034	Based on transfer pricing guidelines	Management & Accounting fee	515	24.09.2012	No advances
				Interest on SHL*	863	24.09.2012	
				SHL provided/ (repaid by JV)	(93)		
				Guarantees given during the Year	-		
				TOTAL	**1,285**		
ILT No. 4 Pvt. Ltd.	Joint Venture Company	till 2035	Based on transfer pricing guidelines	Management & Accounting fee	370	28.03.2014	No advances
				Interest on SHL*	-	13.11.2013	
				SHL provided/ (repaid by JV)	33		
				Guarantees given during the Year	-		
				TOTAL	**403**		

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

For and on behalf of the Board of Directors
Capt. Anoop Kumar Sharma,
Chairman & Managing Director
DIN - 03531392

Mumbai
Date : 28th May 2019

FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

The Shipping Corporation of India Limited,

Shipping House,

Madame Cama Road, Nariman Point,

Mumbai 400 021.

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

Based on my verification of the Corporation's books, papers, minute books, forms and returns filed and other records maintained by the Corporation and also the information provided by the Corporation, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Corporation has during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Corporation has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Shipping Corporation of India Limited for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

  (a) Merchant Shipping Act, 1958

  (b) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

  (c) International Safety Management Code (ISM).

I report that during the year under review there was no action/event in pursuance of –

(a) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(c) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

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

a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and

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

During the period under review the Corporation has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- *"The Corporation has complied with the requirements of Corporate Governance as provided under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance, with the* ***exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board during the period 1st April, 2018 to 17th December, 2018 and 20th March, 2019 onwards.*** *It is clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointing required number of Independent Directors on the Board within the period prescribed under Section 149 of the Companies Act, 2013 and Regulation 25(6) of the SEBI (LODR) Regulations, 2015.*

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that –

- *The Board of Directors of the Company is constituted as per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with balance of Executive Directors and Non-Executive Directors, but with the* ***exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board during the period 1st April, 2018 to 17th December, 2018 and 20th March, 2019 onwards.*** *It is clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointing required number of Independent Directors on the Board within the period prescribed under Section 149 of the Companies Act,2013 and Regulation 25(6) of the SEBI (LODR) Regulations, 2015.* The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Corporation commensurate with the size and operation of the Corporation to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Place: Mumbai
Date: 28/05/2019

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

FORM MR-3 SECRETARIAL AUDIT FOR YEAR ENDED 31ST MARCH, 2019

ANNEXURE A

To,

The Members

The Shipping Corporation of India Ltd.,

Shipping House

Madame Cama Road, Nariman Point,

Mumbai 400 021.

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

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

(U.C. SHUKLA)

Place: Mumbai **COMPANY SECRETARY**

Date: 28/05/2019 **FCS: 2727/CP: 1654**

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

SCI's Philosophy on Corporate Governance

SCI constantly keeps the Corporate Governance issues in focus. It is SCI's policy to provide adequate and timely information to all stakeholders. SCI's endeavor in this respect has been acknowledged and appreciated year after year. This year too, SCI will strive to meet the expectations of various stakeholders. SCI apart from complying with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as the SEBI(LODR) Regulations, 2015], has also adopted the guidelines issued by the DPE in 2010 on Corporate Governance.

SCI's Code of Conduct

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

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

Board of Directors:

Composition of the Board of Directors

As of date, the Board of Directors of your Company comprises 14 members with a mix of 6 executive (including the Chairman & Managing Director) and 2 non-executive Directors (Government Directors who represent the promoters i.e. Government of India) and 6 Non Official Part Time Directors (Independent Directors). As the composition of Board is not compliant with the requirements of regulation 17(1) of SEBI (LODR) Regulations, 2015, the Company is in regular communication with the Ministry of Shipping for filling up of the vacant positions of Independent Directors.

Additional charge for the post of Director (P&A) which was granted to Smt H K Joshi, Director (Finance) ceased on 23.04.2018 on appointment of Shri Surinder Pal Singh Jaggi as Director (P&A) on 24.04.2018.

Smt Leena Nandan, who was appointed as a Part Time Official Director ceased to be on Board of SCI with effect from 03.05.2018 consequent to transfer from the office she held in the Ministry of Shipping. Subsequently, Shri Shambhu Singh, Additional Secretary & Financial Advisor (Shipping), was appointed as Part time Official Director on the Board of SCI on 03.05.2018.

Shri Vijay Tulshiramji Jadhao was appointed as Non Official Part Time Independent Director on the Board of SCI on 03.07.2018.

Shri Mavjibhai B Sorathia and Smt. Archana Ramasundaram were appointed as Non Official Part Time (Independent) Director on the Board of SCI on 17.12.2018. Smt. Archana Ramasundaram tendered her resignation on 20.03.2019 as she was appointed as Non-Judicial Member of Lokpal.

Shri Arun Balakrishnan and Shri Sukamal Chandra Basu, who were appointed as Non Official Part Time (Independent) Directors, ceased to be Directors on the Board of SCI with effect from 20.03.2019.

Vide Letter from Ministry of Shipping dt. 12.07.2019, Shri Arun Balakrishnan was nominated on the Board of SCI for re-appointment w.e.f 21.03.2019. Vide resolution passed on 19.07.2019 by the Board of Directors of SCI through circulation, Shri Balakrishnan had been appointed as Additional Director on the Board of SCI under section 161 of the Companies Act, 2013 to hold office as an Non Official Part Time Independent Director of the Company under section 149 of the Companies Act, 2013 with effect from 21.03.2019 till the forthcoming Annual General Meeting.

The directorships held in other public limited companies and membership/chairpersonship held in the Committees of such Boards by the members of the Board of your Company as on 31st March, 2019 are set out below:-

Name	Designation	No. of Directorships, category of Directorships and Committee Membership / Chairpersonship in other public limited companies		
		Directorship & Category of Directorship	**Committee	
			Member	Chairperson
Executive Directors (Whole-Time)				
Capt. Anoop Kumar Sharma	Chairman & Managing Director	NIL$		
Smt. H. K. Joshi	Director (Finance) & CFO	Inland & Coastal Shipping Ltd. - Non-Executive Director#	NIL	
Shri S.V. Kher	Director (Bulk Carrier and Tanker)	NIL		

Name	Designation	No. of Directorships, category of Directorships and Committee Membership / Chairpersonship in other public limited companies		
		Directorship & Category of Directorship	**Committee	
			Member	Chairperson
Shri Rajesh Sood	Director (Technical & Offshore Services)	NIL		
Smt. Sangeeta Sharma	Director (Liner & Passenger Services)	Sethusamudram Corporation Ltd - Non-Executive Director#	NIL	
Shri Surinder Pal Singh Jaggi	Director (Personnel & Administration)	NIL		
Non-Executive Directors (Part-Time Ex-Officio)				
Shri Shambhu Singh	Additional Secretary & Financial Advisor (Shipping)	Indian Port Rail & Ropeway Corporation Ltd.-Government Director	NIL	Audit Committee
Shri Satinder Pal Singh	Joint Secretary(Shipping)	1. Cochin Shipyard Ltd – Government Director 2. Sagarmala Development Co Ltd. – Government Director	NIL	
Non-Executive Directors (Part-Time Independent)				
Shri Raj Kishore Tewari	Independent Director	Mahanagar Gas Ltd - Independent Director	NIL	Audit committee & Stakeholders' Relationship Committee.
Shri Arun Balakrishnan	Independent Director@	1. Linde India Ltd	Audit Committee	Stakeholders' Relationship Committee
		2. Mahanagar Gas Ltd	Audit Committee	NIL
Dr Gautam Sinha	Independent Director	NIL		
Dr. P. Kanagasabapathi				
Shri Vijay Tulshiramji Jadhao				
Shri Mavjibhai Sorathia				

**In accordance with Regulation 26(1) of the SEBI (LODR) Regulations, 2015 only directorships on public limited companies have been considered and the directorships on private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded. Similarly, in terms of the above section, membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies has been considered.

$ Capt. Anoop Kumar Sharma has been appointed as an Independent Director on the Board of Dredging Corporation of India Ltd ('DCI') with effect from 04.04.2019.

Nominated by SCI

@ Vide Letter from Ministry of Shipping dt. 12.07.2019, Shri Arun Balakrishnan was nominated on the Board of SCI for re-appointment w.e.f 21.03.2019. Vide resolution passed on 19.07.2019 by the Board of Directors of SCI through circulation, Shri Balakrishnan had been appointed as Additional Director on the Board of SCI under section 161 of the Companies Act, 2013 to hold office as a Non Official Part Time Independent director of the Company under section 149 of the Companies Act, 2013 with effect from 21.03.2019 till the forthcoming Annual General Meeting.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Board Meetings / Annual General Meeting

During the financial year 2018-19, 6 Board Meetings were held, the dates being, 25.04.2018, 23.05.2018, 03.08.2018, 03.11.2018, 21.01.2019 and 07.02.2019. The details about attendance of the Directors at the Board Meetings and at the 68th Annual General Meeting (AGM) held on 25.09.2018 are given below:

Name of the Director	No. of Board Meetings		Attendance at the last AGM held on 25.09.2018
	Held during the tenure of Directors	Attended	
Capt Anoop Kumar Sharma	6	6	Yes
Smt. Leena Nandan*	1	0	NA
Shri Shambhu Singh*	5	2	No
Shri Satinder Pal Singh	6	6	No
Smt. H. K. Joshi	6	6	Yes
Shri S. V. Kher	6	6	No
Shri Rajesh Sood	6	6	Yes
Smt. Sangeeta Sharma	6	6	Yes
Shri Surinder Pal Singh Jaggi*	6	6	Yes
Shri Arun Balakrishnan*	6	6	No
Shri Sukamal Chandra Basu*	6	6	Yes
Dr. Gautam Sinha	6	6	No
Shri Raj Kishore Tewari	6	5	Yes
Dr. P. Kanagasabapathi	6	4	No
Shri Vijay Tulshiramji Jadhao*	4	4	No
Shri Mavjibhai Sorathia*	2	2	NA
Smt Archana Ramasundaram*	2	2	NA

*The changes taken place in the constitution of the Board of Directors of SCI during the FY 2018-19 are as follows:-

Name of the Director	Date of Appointment	Date of Cessation	Reason for cessation
Smt. Leena Nandan	-	03.05.2018	Nomination withdrawn by Ministry Of Shipping
Shri Shambhu Singh	03.05.2018	-	-
Shri Surinder Pal Singh Jaggi	24.04.2018	-	-
Shri Arun Balakrishnan	-	20.03.2019	Completion of tenure
Shri Arun Balakrishnan	21.03.2019	-	Re-appointment vide Letter from Ministry of Shipping dt. 12.07.2019
Shri Sukamal Chandra Basu	-	20.03.2019	Completion of tenure
Shri Vijay Tulshiramji Jadhao	03.07.2018	-	-
Shri Mavjibhai Sorathia	17.12.2018	-	-
Smt Archana Ramasundaram	17.12.2018	20.03.2019	Tendered Resignation

Details of familiarization programme imparted to Independent Directors is disclosed on SCI website www.shipindia.com → Investors → Information for shareholders → Disclosures under Listing Regulation.

List of Directors' Core Skills / Experience / Competencies identified by The Board – Para 2(h)(c) of Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

The Company being in shipping sector and also, being a Government Company has to maintain proper co-ordination with various operating agencies in the sectors working in close connection with Shipping as well as with various Government Bodies. Therefore, besides the functional experience like finance, HR and that relevant to each business verticals, the Company also needs directors who have strong commercial focus in the operating environment and in depth understanding of PSUs/ Government sector working. Each director brings a skill set which is aligned to these areas.

Sr No	Name	Skills/ Expertise/ Competence
1	**Capt Anoop Kumar Sharma**	Over 37 years of prolific experience in handling technical and commercial fields at various responsible levels in Maritime & Logistics Industry, including chartering, acquisitions/ replacements and obtaining necessary credit lines from financial institutions.
2	**Shri Shambhu Singh**	Member of Indian Administrative Services. Held various senior positions in Ministry of Home Affairs, Ministry of Science & Technology, Ministry of Micro, Small & Medium Enterprises (MSME) and currently posted as Additional Secretary & Financial Advisor in Ministry of Road Transport and Shipping. Wide experience in the field of administration.
3	**Shri Satinder Pal Singh**	Member of Indian Police Services. Held senior positions in State Government of Himachal Pradesh, Ministry of Home Affairs and currently posted as Joint Secretary in Ministry of Shipping. Wide experience in the field of administration.
4	**Smt H. K. Joshi**	Over 33 years of rich exposure in handling all facets of Finance & Accounts in the Oil sector and in Joint Venture assignments.
5	**Shri S. V. Kher**	More than 34 years of experience in various facets of shipping industry especially offshore, bulk carriers and LNG tankers, including business development and commercial operations of the same.
6	**Shri Rajesh Sood**	Over 34 years of experience in various segments of Maritime field including ship building, ship acquisition, technical operations and allied services.
7	**Smt Sangeeta Sharma**	Over 33 years of experience in all facets of shipping services especially in liner commercial operations, strategic planning and contract negotiations.
8	**Shri Surinder Pal Singh Jaggi**	Over 36 years of experience of developing and implementing key HR processes. Also, worked in the field of Public Relations, Business Excellence, Administration and Liaison.
9	**Dr Gautam Sinha**	More than 25 years of experience in Steel and Engineering industry followed by 17 years of academic experience at IIT & IIM.
10	**Shri Raj Kishore Tewari**	Former Chairman of Central Board of Direct Taxes (CBDT). Over 38 years of experience in finance/accounts, administration and tax matters.
11	**Dr. P. Kanagasabapathi**	More than 31 years of experience in academic field and involved in studies w.r.t. Indian Economics & Business System.
12	**Shri Vijay Tulshiramji Jadhao**	More than 31 years of experience as business consultant in corporate sector. Has a core competency in agricultural sector.
13	**Shri Mavjibhai B. Sorathia**	Over 33 years of experience as a Practicing Chartered Accountant.
14	**Shri Arun Balakrishnan**	Around 43 years of experience in Oil & Gas industry and allied sectors.

Directors Shareholding

None of the directors hold shares in SCI.

Committees of the Board

To enable better and more focused attention on the affairs of the Company, the Board has constituted the following Committees of the Board as required under the Companies Act 2013 and the SEBI (LODR) Regulations, 2015.

Audit Committee

The Committee was reconstituted on 25.04.2018 with Shri Sukamal Chandra Basu as Chairman and Shri Arun Balakrishnan, Dr. P. Kanagasabapathi and Director (Bulk & Tanker) as its members. Subsequent to cessation of directorship of Shri Sukamal Chandra Basu and Shri Arun Balakrishnan, the Committee was again reconstituted on 16.05.2019 through circular resolution with Dr. P. Kanagasabapathi as Chairman with Director (Bulk & Tanker) and Shri Mavjibhai Sorathia as its members. On 09.08.2019, the Audit Committee was reconstituted and Shri Mavjibhai Sorathia was appointed as Chairman of Audit Committee with Shri Arun Balakrishnan, Dr. P. Kanagasabapathi and Director (B&T) being the member. All the members of the Committee are 'financially literate' and have accounting and financial management expertise. The Company Secretary acts as Secretary to the Committee. The Director (Finance) and the Directors in charge of operations attend the meetings as invitees. The Statutory Auditors and Internal Auditors also attend meetings at which the audit reports / Company's financial statements are reviewed by the Committee. The terms of reference of Audit Committee include all matters specified in Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 and the DPE guidelines on Corporate Governance for CPSEs, 2010 and covers, inter-alia, overseeing Company's financial reporting process, adequacy of internal control systems, reviewing financial risks, management policies, compliance with Accounting Standards, etc. Audit committee meetings were held on 25.04.2018, 23.05.2018, 03.08.2018, 03.11.2018, 21.01.2019, 07.02.2019 and 19.03.2019 during the financial year 2018-19. The minutes of the meetings of Audit committee have been placed before the Board from time to time. All the recommendations made by the Audit Committee have been accepted by the Board of Directors of the Company.

Name of the Director	No. of Meetings	
	Held during the tenure of Directors	Attended
Shri Sukamal Chandra Basu	7	7
Shri Arun Balakrishnan	7	7
Dr. P. Kanagasabapathi	6	4
Shri S. V. Kher	7	7

Nomination and Remuneration Committee

During the FY 2018-19, the Board reconstituted the Nomination and Remuneration Committee on 25.04.2018 with Shri Sukamal Chandra Basu as its Chairman and Shri Arun Balakrishnan, Dr. Gautam Sinha and Shri Satinder Pal Singh as its members. Subsequent to cessation of directorship of Shri Sukamal Chandra Basu and Shri Arun Balakrishnan, the Board again reconstituted the committee on 16.05.2019 through circular resolution with Dr. Gautam Sinha as Chairman and Shri Satinder Pal Singh, Shri Vijay Tulshiramji Jadhao and Shri Mavjibhai Sorathia as its members. The terms of reference of Nomination and Remuneration committee are to take care of Compliances under Section 178 of the Companies Act 2013 and clause 5.1 of the DPE guidelines on Corporate Governance for CPSEs, 2010 and Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

Nomination and Remuneration Committee meetings were held on 23.05.2018, 03.08.2018 & 03.11.2018 during the financial year 2018-19.

Name of the Director	No. of Meetings	
	Held during the tenure of Directors	Attended
Shri Sukamal Chandra Basu	3	3
Shri Arun Balakrishnan	3	3
Dr. Gautam Sinha	3	3
Shri Satinder Pal Singh	3	3

Corporate Social Responsibility Committee

On 25.04.2018, the committee was reconstituted with C&MD, Capt. Anoop Kumar Sharma as Chairman of the Committee, Shri Arun Balakrishnan, Dr. Gautam Sinha, Shri Raj Kishore Tewari and Director (Technical & Offshore Services) as its member and Director (Personnel & Administration) as its member convener. On cessation of directorship of Shri Arun Balakrishnan, the committee was again reconstituted on 16.05.2019 through circular resolution with the continuing members.

During the Financial Year 2018-19, the committee meetings were held on 23.05.2018, 03.08.2018, 02.11.2018 and 07.02.2019.

Share Transfer Committee

This Committee of the Board comprising of the Chairman & Managing Director and an Executive Director (Whole Time), regularly approves the transfer and transmission of shares and other related matters. As and when the shareholders made lodgments for transfer/re-materialisation, the Share Transfer Committee held their meetings promptly to effect the transfers. The Share Transfer Committee Meeting of the Board was held on 26.04.2018, 15.05.2018, 30.10.2018 and 12.12.2018.

Stakeholders' Relationship Committee

The Committee was re-constituted on 25.04.2018 with Shri Raj Kishore Tewari as Chairman and Dr. Gautam Sinha, Dr. P. Kanagasabapathi and Director (Liner & Passenger Services) as its members. The Committee met four times during the FY 2018-19 i.e on 23.05.2018, 03.08.2018, 02.11.2018 and 07.02.2019.

Grievances & their redressals: During the year under review, all the complaints were resolved. The complaints have been replied/sorted out within 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	Pending as on 01.04.2018	Received during the year	Redressed during the year	Pending as on 31.03.2019
SEBI	NIL	02	02	NIL
Stock Exchanges	NIL	04	04	NIL
Other	NIL	00	00	NIL
Total	**NIL**	**06**	**06**	**NIL**

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

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

Investors can lodge their complaints, if any, on investor@bigshareonline.com by providing their Folio number/ DP ID-Client ID, contact number, e-mail ID and the address for correspondence which would enable us to respond to them promptly.

Risk Management Committee

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

In the Board meeting dated 03.08.2018, the Risk Management Committee has been reconstituted consisting of all functional Directors and HOD (IT). The senior most Director would be the Chairperson of the Committee. The first meeting was held on 23.04.2019. The Terms of Reference of Risk Management Committee includes - a) To monitor and review the risk management plan of the Company including cyber security. b) such other functions as stipulated by SEBI, MCA, DPE and any other statutory authority.

Unpaid Dividend Details

As per the provisions of Section 124 read with Section 125 of the Companies Act 2013, the Company is required to transfer the unpaid dividends remaining unclaimed/unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund Authority (IEPF) set up by the Central Government. Further, shares on which dividend has been unclaimed/unpaid for a period of seven consecutive years or more, is required to be transferred to IEPF Authority.

The Company has transferred unclaimed/unpaid amount of Interim and Final dividend for F.Y 2010-11 to the IEPF Authority on 12.04.2018 and 21.11.2018, respectively. The shares pertaining to the aforesaid dividend amounts have also been transferred to IEPF Authority. Details of such shares are posted on the SCI website www.shipindia.com → investors → Unclaimed Shares/ Dividend

General Body Meetings

The date, time and venue of the last three Annual General Meetings of the Company and the details of special resolution passed thereat, are given below:

General Meetings	Date & Time	Venue	Special Resolutions passed thereat
66th AGM (FY 2015-16)	26.09.2016 15.30 hrs	Registered Office of the Company, Mumbai	NO
67th AGM (FY 2016-17)	26.09.2017 15.30 hrs		
68th AGM (FY 2017-18)	25.09.2018 15.30 hrs		

Means of Communication

Publishing of Financial Results The Unaudited Financial Results and Audited Annual Financial Results of the Company are published in the newspapers every quarter and are also made available on the Company's website. Results for the FY 2018-19 were published in the following newspapers: a. Financial Express – Mumbai, Ahmedabad, Delhi, Kolkata, Hyderabad, Chennai, Bengaluru, Pune, Chandigarh, Lucknow, Kochi a. Jansatta – Kolkata, Chandigarh, Delhi, Lucknow b. Loksatta – Mumbai
Financial results and official news released are displayed on www.shipindia.com.
No presenation was made to Institutional Investors or to the Analysts.
Management Discussion and Analysis is a part of Annual Report.

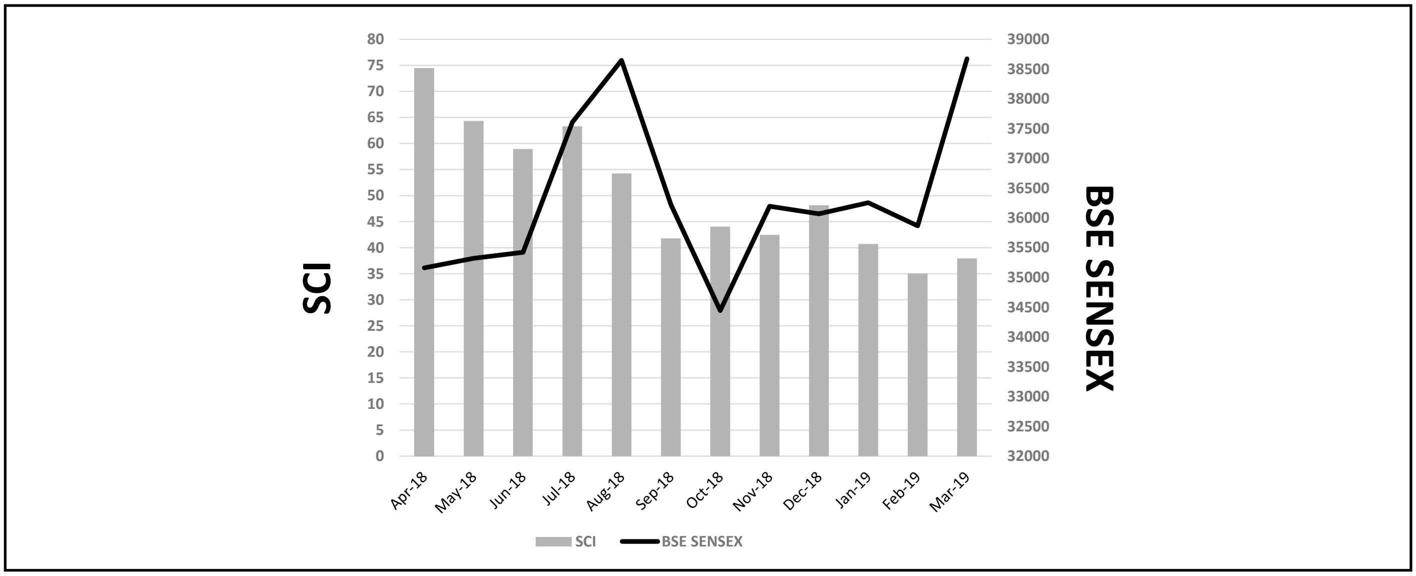
General Shareholder Information

Annual General Meeting Date, Time & Venue: 25.09.2019 at 1530 hrs. at the Registered Office of the Company, “Shipping House”, 245, Madame Cama Road, Mumbai – 400 021.	
Financial Year	01.04.2018 to 31.03.2019
Book Closure Dates	18.09.2019 to 25.09.2019
The Board of Directors have not recommended dividend for this financial year.	
Listing on Stock Exchanges	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. [Stock Code: 523598]
	National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai – 400 051. [Stock Code: SCI]
The Company has paid the annual listing fees for the year 2018 - 19 to the aforesaid Stock Exchanges within the stipulated time.	
Demat-ISIN Number – INE 109 A 01011	
Address for Correspondence/ Registrar and Transfer Agents Shareholders’ correspondences should be addressed to the Company’s Share Transfer Agents at their following addresses: - M/s. Bigshare Services Pvt Ltd , 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra. Tel: 022 62638200, Fax : 022 62638299, investor@bigshareonline.com, www.bigshareonline.com	
Share Transfer System Processing of share transfer are done by the Registrar and Transfer Agents and approved by the Share Transfer Committee of the Company. There are no pending share transfer requests as on 31st March 2019.	
Dematerialization of shares and liquidity With effect from 26.06.2000, trading in the Company’s shares was made compulsory in the dematerialized form. The Company’s shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March 2019, 99.89% of the paid-up equity share capital, representing 46,52,97,251 shares was held in depository mode. The processing activities with respect to the requests received for dematerialization are completed within 15 days from the date of receipt of request.	
Foreign Exchange Risk & Hedging Activities In the course of our business activities, financial risks may arise from changes in interest rates and exchange rates. SCI has a natural hedge as majority of our receipts are either in foreign currency or are denominated in foreign currency and accordingly no specific hedging activities have been undertaken. The Company's Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies. The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.	
Your Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments.	
Your Company has no Plant	

Stock Performance on BSE and NSE during the financial year 2018-19.

Month	Share Price on BSE		Share Price on NSE		SCI’s Closing Price (₹)	BSE Sensex
	High (₹)	Low (₹)	High (₹)	Low (₹)		
April 2018	77.35	64.45	77.35	64.40	74.45	35,160.36
May 2018	75.15	61.40	75.40	60.60	64.35	35,322.38
June 2018	69.20	56.00	69.35	56.10	58.95	35,423.48
July 2018	66.50	57.00	67.00	56.80	63.30	37,606.58
August 2018	65.15	53.75	65.15	53.70	54.25	38,645.07
September 2018	56.90	40.90	55.70	41.10	41.80	36,227.14
October 2018	45.50	39.55	45.60	39.45	44.05	34,442.05
November 2018	49.55	42.10	49.70	42.05	42.45	36,194.30
December 2018	49.70	40.40	49.50	40.30	48.15	36,068.33
January 2019	48.60	40.10	48.55	40.00	40.70	36,256.69
February 2019	41.20	34.50	41.20	34.50	35.05	35,867.44
March 2019	41.95	35.00	41.95	34.95	37.95	38,672.91

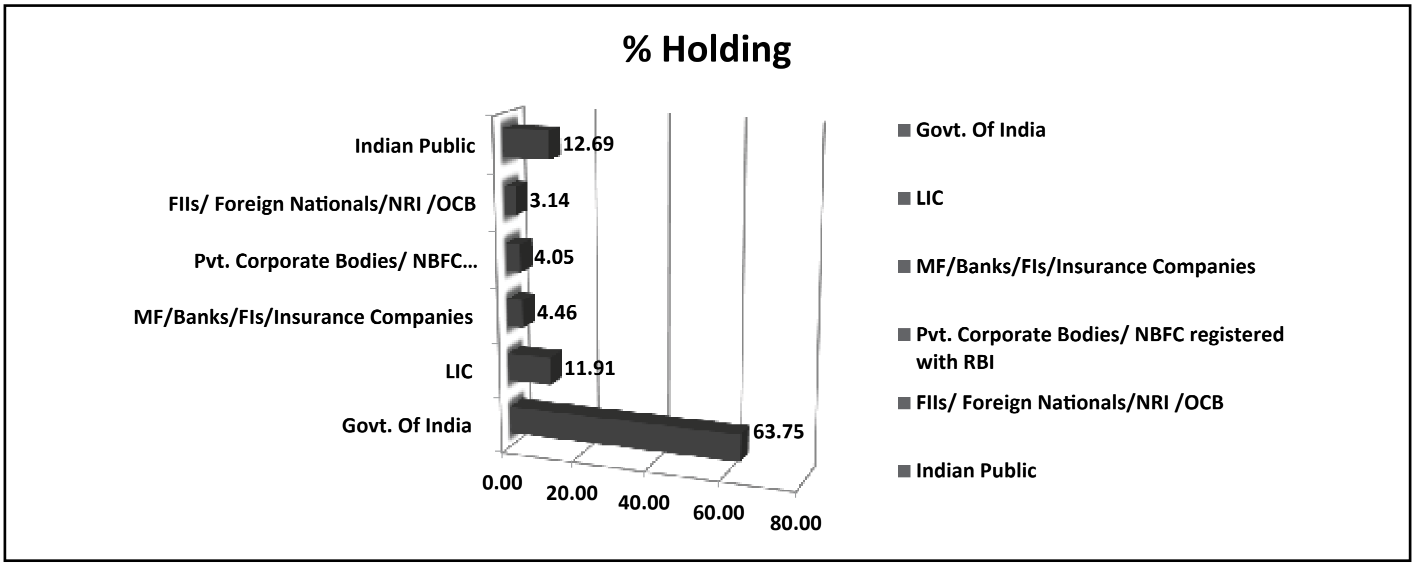
Graph showing the SCI share price movement based on the above data:



DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2019

CATEGORY	DEMAT		PHYSICAL		TOTAL		%TO (A)	
	FOLIOS	SHARES	FOLIOS	SHARES	FOLIOS	SHARES	FOLIOS	SHARES
1 - 500	1,33,300	18051873	72	10369	133372	18062242	88.9384	3.8777
501 - 1000	8,360	6690755	5	4300	8365	6695055	5.5782	1.4373
1001 - 2000	4,169	6302462	1	1200	4170	6303662	2.7807	1.3533
2001 - 3000	1,412	3630139	0	0	1412	3630139	0.9416	0.7793
3001 - 4000	563	2024843	0	0	563	2024843	0.3754	0.4347
4001 - 5000	550	2604204	0	0	550	2604204	0.3668	0.5591
5001 - 10000	840	6210976	1	6000	841	6216976	0.5608	1.3347
10000 & **above**	681	419782039	6	479850	687	420261889	0.4581	90.2239
TOTAL	**1,49,875**	**46,52,97,291**	**85**	**5,01,719**	**1,49,960**	**46,57,99,010 (A)**	**100**	**100**

Distribution of Shareholding by percentage of ownership as on 31st March, 2019



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Directors' Remuneration

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

(Amount in ₹)

Name of the Director	Consolidated Salary	Perquisites, Allowances and other benefits	Performance Linked Incentives	Sitting Fees	Total
Capt. Anoop Kumar Sharma	30,35,362	8,61,687	-	-	38,97,049
Smt. Harjeet Kaur Joshi	31,63,977	12,35,952	-	-	43,99,929
Shri Shrikant V Kher	29,01,121	17,54,199	-	-	46,55,320
Smt. Sangeeta Sharma	26,29,576	11,82,396	-	-	38,11,972
Shri Rajesh Sood	26,09,166	10,12,664	-	-	36,21,830
Shri Surinder Pal Singh Jaggi	25,52,705	10,20,375	-	-	35,73,080
Shri Vijay Tulshiramji Jadhao	-	-	-	1,40,000	1,40,000
Shri Mavjibhai Bhikhabhai Sorathia	-	-	-	60,000	60,000
Dr. Gautam Sinha	-	-	-	4,00,000	4,00,000
Shri Raj Kishore Tewari	-	-	-	3,20,000	3,20,000
Dr P. Kanagasabapathi	-	-	-	3,00,000	3,00,000
Shri Arun Balakrishnan	-	-	-	4,40,000	4,40,000
Shri Sukamal Chandra Basu	-	-	-	4,00,000	4,00,000
Smt Archana Ramasundaram	-	-	-	60,000	60,000
TOTAL	**1,68,91,906**	**70,67,273**		**21,20,000**	**2,60,79,179**

* For independent directors, the sitting fees are fixed by the Board as Rs. 20000/ - per meeting per day. The Non-Executive Part-Time Ex-officio Directors (Government Directors) do not draw any remuneration/sitting fees from the company. The criteria for payment of sitting fees is displayed on the Company's website www.shipindia.com → Investors → Information for Shareholders → Disclosures under Listing Regulation

Subsidiary Companies

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

Disclosures

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

No penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Fees Paid to Statutory Auditors

The information is disclosed in note no 26(a) of Standalone and Consolidated financial statements of FY 2018-19.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

Particulars	Numbers
Number of complaints pending as on 01.04.2018	1
Number of complaints filed during the financial year	0
Number of complaints disposed off during the financial year	1
Number of complaints pending as on 31.03.2019	0

Code of Conduct for Prevention of Insider Trading

SCI has its code of conduct for prevention of insider trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines which advise the management and the staff on procedures to be followed and disclosures to be made while dealing with the shares of Company, and cautions them of the consequences of violations. In line with the aforesaid regulations, the policy is also available at the Company's website **www.shipindia.com** → **About SCI** → **Policies**.

Related Party Transactions

Particulars of contracts/arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2, is appended to the Director's Report. The details are also available in Note 30 under 'Notes to Financial statements'. The policy is available on the Company's website **www.shipindia.com** → **About SCI** → **Policies**.

Accounting Treatment

In preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind AS) laid down by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013.

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

During the year 2010-11, your Company had floated a "Further Public Offer", (FPO), comprising of a 'fresh issue' of 42,345,365 equity shares in your company and an 'offer for sale' of 42,345,365 equity shares by the President of India. The FPO proceeds of Rs. 58245 lakhs were fully utilized in the financial year 2011-12 as per object of the issue for part financing of capital expenditure on nine shipbuilding projects. However, due to delays in the projects resulting in default by the shipyards, during the period January 2014 to May 2014, your Company rescinded contracts for four shipbuilding projects and also, re-negotiated the payments for two projects. The investment in the rescinded contracts out of the FPO Proceeds was Rs. 330.65 Crores.

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

Out of the said amount of Rs. 330.65 Crores, an amount of Rs. 196.80 Crores has been utilized till date as under –

Month & Year	₹ Crs.	Utilised for
November 2016	34.37	Equity portion of PSV – SCI Sabarmati
April 2017	63.82	Equity portion of Suezmax Tanker – Desh Abhiman
July 2017	27.63	Equity portion of PSV – SCI Saraswati
September 2017	70.98	Equity portion of VLGC – Nanda Devi
Total Utilised till date	**196.80**	

The unutilised FPO proceeds amount of Rs 133.85 crores are kept in fixed deposit.

Management Discussions and Analysis Report

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

Material Financial and Commercial Transactions of Senior Management Personnel

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

CEO / CFO Certification

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

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

Maintenance of Office and reimbursement of expenses of Non-Executive Chairman

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

Shareholder Rights - Declaration of financial performance

The financial results are posted on the Company's website immediately. The results of the Company are also published in the newspapers within the time limits prescribed under the SEBI (LODR) Regulations, 2015.

Audit Reports

You may like to refer the sections 'Auditors Report' and 'Secretarial Audit' under the Directors' Report as well as 'Comments of The Comptroller And Auditor General of India' for this purpose.

Separate Posts of Chairperson & Chief Executive Officer

The Company is engaged only in shipping activities and therefore, currently there is no need for Separate Posts of Chairperson & Chief Executive Officer. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires Top 500 companies to bifurcate posts of Chief Executive Officer and Managing Director. In this regard, the Company will take steps as and when directed at appropriate juncture.

Reporting of Internal Auditor

The Internal Auditor is reporting directly to the Audit Committee as all Internal Audit reports are submitted to Audit Committee for review and direction.

Whistle Blower Policy

SCI has formulated a Whistle Blower Policy as a part of vigil mechanism under Section 177 of the Companies Act 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015. SCI has also laid down procedures as per Central Vigilance Commission (CVC) guidelines. The details are provided under the Directors' Report. The policy is available at the company's website under tab "About SCI → Policies". During the year under review, no personnel were denied access to the Audit Committee, in respect of Alleged Misconduct under the said Policy.

Annual Performance Evaluation of the Board

Based on the SEBI Guidance note dated 05.01.2017, a policy on Board Performance Evaluation was formulated. Evaluation of performance of the Board as a whole, individual directors and Committees of the Board was carried out based on the said policy for FY 2018-19.

Additional Disclosures as required under the Guidelines laid down by DPE

1. To the best of our knowledge and from the data gathered from all the departments transactions with all related parties have been entered at arm's length.
2. Presidential Directive dated 28.02.2018, regarding implementation of Pay revision of Board level and below Board level Executives and Non-Unionized Supervisors of Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2017, was received and the same was implemented in March 2018.

   As per Ministry of Shipping's letter no. SS-11013/1/2017-SU dated 22.11.2018, SCI was directed for implementation of pay revision of Staff Members w.e.f 01.01.2017. The same was implemented in December, 2018.
3. To the best of our knowledge there is no item of expenditure debited in books of accounts which are not for the purposes of the business.
4. There are no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.
5. The office and administration expenses as a percentage of total expenses are 5.85% in FY 2018-19 as against 7.76% in FY 2017-18.
6. The finance expenses as a percentage of total expenses is 5.83% in FY 2018-19 as against 5.01% in FY 2017-18.

Annexures

I Annual Secretarial Compliance Audit under Regulation 24A to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

II Certificate under Regulation 34(3) to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Place : Mumbai
Dated : 09.08.2019

For and on behalf of the Board of Directors
Capt. Anoop Kumar Sharma
Chairman & Managing Director

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY CHAIRMAN & MANAGING DIRECTOR

The Company has adopted a Code of Conduct for the Board Members and Senior Management of the Company, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors & Senior Management personnel have complied with the Code of Conduct for the financial year 2018-19 and a confirmation to this effect has been obtained from the Directors & Senior Management personnel.

Place : Mumbai
Dated : 09.08.2019

For and on behalf of the Board of Directors
sd/-
Capt. Anoop Kumar Sharma
Chairman & Managing Director

Annexure I

28th May, 2019

To,
The Board of Directors
The Shipping Corporation of India Limited
Shipping House, 245,
Madame Cama Road
Mumbai-400021

Dear Sir,

Annual Secretarial Compliance Report for the Financial Year 2018-19

I have been engaged by The Shipping Corporation of India Limited (hereinafter referred to as 'the Company') bearing CIN: L63030MH1950GOI008033, whose Equity Shares are listed on the BSE Ltd (Security Code 523598) and National Stock Exchange of India Ltd (Symbol: SCI), to conduct an audit in terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with the SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 and to issue the Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance with provisions of all the applicable SEBI Regulations and circulars/ guidelines issued thereunder from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/ guidelines issued thereunder from time to time and issue a report thereon.

Our audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report, issued by the Institute of Company Secretaries of India and in a manner which involves such examinations and verifications as considered necessary and adequate for the said purpose. Annual Secretarial Compliance Report is enclosed.

Thanking you,

Yours faithfully,
Sd/-

(UPENDRA C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP No: 1654

SECRETARIAL COMPLIANCE REPORT OF THE SHIPPING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31.03.2019

I have examined:

(a) All the documents and records made available to me and explanation provided by The Shipping Corporation of India Limited ("the listed entity");

(b) the filings/ submissions made by the listed entity to the stock exchanges;

(c) website of the listed entity;

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of :

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include –

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **[Not Applicable since there was no reportable event during the year under review]**;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **[Not Applicable since there was no reportable event during the year under review]**;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **[Not Applicable since there was no reportable event during the year under review]**;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable since there was no reportable event during the year under review]**;

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013 - **[Not Applicable since there was no reportable event during the year under review]**;

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that during the Review Period:

(i) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder *except in respect of matter specified below*:

Sr. No:	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1)	Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – composition of the Board of Directors.	a) More than 50% of the Board comprises of Executive Directors; b) Company does not have required number of Independent Director on the Board.	Nil

(ii) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

(iii) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1)	a) BSE Limited b) National Stock Exchange of India Limited	Regulation 17(1)	SCI has received letters dated 05/11/2018 and 31/01/2019 from National Stock Exchange of India Ltd. and letters dated 31/10/2018 and 31/01/2019 from BSE Ltd., levying penalty for non-compliance of the provisions of Reg. 17(1) of SEBI (LODR) Regulations, 2015 [for not having required number of Independent Directors on the Board]	The Company has requested the BSE and NSE and also to SEBI for waiver of penalty since SCI is a Central Public Sector Enterprise, appointment of Directors (both functional and Independent) is done on the basis of nominations received from the Administrative Ministry i.e. the Ministry of Shipping.

(iv) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

Sd/-

(UPENDRA C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP No: 1654

Place: MUMBAI
Date: 28.05.2019

Annexure II

Certificate under Regulation 34 (3) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
The Shipping Corporation of India Limited,
Shipping House, Madame Cama Road,
Nariman Point, Mumbai 400 021

I have examined the registers, records, books, form, returns and disclosures received from the Directors of The Shipping Corporation of India Limited, (CIN L63030MH1950GOI008033), having Registered Office at Shipping House, Madame Cama Road, Nariman Point, Mumbai 400 021 (the Company), produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification [including Director Identification Number (DIN) status on MCA website] as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2019 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

Sr. No:	Name of the Director & DIN	Designation	Date of Appointment in the Company
1)	Capt. Anoop Kumar Sharma (DIN: 03531392)	Chairman & Managing Director	12/09/2016
2)	Shri Shambhu Singh (DIN: 01219193)	Non Executive Director (Part Time Ex-Officio)	03/05/2018
3)	Shri Satinder Pal Singh (DIN: 07490296)	Non Executive Director (Part Time Ex-Officio)	28/08/2017
4)	Smt. H. K. Joshi (DIN: 07085755)	Whole-time Director	05/02/2015
5)	Shri S. V. Kher (DIN: 07286348)	Whole-time Director	01/10/2015
6)	Shri Rajesh Sood (DIN: 07958667)	Whole-time Director	29/12/2017
7)	Smt. Sangeeta Sharma (DIN: 07969443)	Whole-time Director	29/12/2017
8)	Shri Surinder Pal Singh Jaggi (DIN: 08116127)	Whole-time Director	24/04/2018
9)	Dr Gautam Sinha (DIN: 02480182)	Independent Director	29/09/2017
10)	Shri Raj Kishore Tewari (DIN: 07056080)	Independent Director	29/09/2017

Sr. No:	Name of the Director & DIN	Designation	Date of Appointment in the Company
11)	Dr P. Kanagasabapathi (DIN: 07986023)	Independent Director	20/11/2017
12)	Shri Vijay Tulshiramji Jadhao (DIN: 02907818)	Independent Director	03/07/2018
13)	Shri Mavjibhai Sorathia (DIN: 02015175)	Independent Director	17/12/2018
14)	*Shri Arun Balakrishnan (DIN: 00130241)	Independent Director	30/03/2016 (Re-appointed on 21/03/2019)

Note: Ensuring the eligibility for appointment/continuing as Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of documents/ information available to me. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

*Shri Arun Balakrishnan was re-appointed as Independent Director w.e.f. 21.03.2019 vide Ministry of Shipping letter dt. 12.07.2019.

Sd/-
(UPENDRA C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP No: 1654

Place: MUMBAI
Date: 09/08/2019

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

The Shipping Corporation of India Limited

We have examined the compliance of conditions of Corporate Governance by THE SHIPPING CORPORATION OF INDIA LIMITED (hereinafter referred as 'the Company'), for the year ended March 31, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI Listing Regulations, 2015') and as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.

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

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

Auditor's Responsibility

- Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company, for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
- We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended March 31st, 2019.
- We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C,D and E of Schedule V of the SEBI Listing Regulations 2015 and in the guideline of corporate governance for Public Sector Enterprises, Government of India, subject to the following:

The company has not complied with the requirement of Regulation 17(1)(b) of the Listing Regulations with regard to the composition of the board of directors comprising of at least 50% Independent Directors, except for the period 17.12.2018 to 20.03.2019 (both days inclusive) during which the number of Independent Directors comprised of 50% of the total strength of the Board.

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

Restriction on use

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

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

CA Chetan. R. Sapre
Partner
ICAI Membership No. 116952
UDIN: 19116952AAAADV7539
Place: Mumbai
Date: 09-08-2019

For A. Bafna & Co.
Chartered Accountants
FRN: 003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No : 073515
UDIN: 19073515AAAAAJ6134
Place: Mumbai
Date: 09-08-2019

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF THE SHIPPING CORPORATION OF INDIA LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2019

The preparation of Financial Statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the financial statement of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2019 under Section 143(6)(a) of the Act. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under section 143(6)(b) of the Act.

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

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

Place: Mumbai
Date: 07 August 2019

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SHIPPING CORPORATION OF INDIA LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2019

The preparation of Consolidated Financial Statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the Consolidated Financial Statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2019 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a Supplementary Audit of the Standalone Financial Statements of The Shipping Corporation of India Limited but did not conduct Supplementary Audit of the Financial Statements of Inland and Coastal Shipping Limited, India LNG Transport Company (No.1) Limited (Malta), India LNG Transport Company (No.2) Limited (Malta), India LNG Transport Company (No.3) Limited (Malta) and India LNG Transport Company (No.4) Limited (Singapore) for the year ended on that date. Further, Sections 139(5) and 143(6)(b) of the Act are not applicable to India LNG Transport Company (No.1) Limited (Malta), India LNG Transport Company (No.2) Limited (Malta), India LNG Transport Company (No.3) Limited (Malta) and India LNG Transport Company (No.4) Limited (Singapore) being private entities/entities incorporated in foreign countries under the respective laws, for appointment of their Statutory Auditor and for conduct of Supplementary Audit. Accordingly, the Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the Supplementary Audit of these Companies. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under section 143(6)(b) of the Act.

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

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

Place: Mumbai
Date: 07 August 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of

The Shipping Corporation of India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **The Shipping Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following:

(i) We draw attention to Note No. 44 to the Financial Statements, C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of Rs 11.03 crores for the FY 2014-15. Audit observed that the company did not follow the DPE guidelines for determining the PBT for the FY 2014-15.The Company has submitted its response and the matter is under the consideration of C&AG and final outcome is awaited.

(ii) We draw attention to Note No. 45 to the Financial Statements, the Company is in process of analyzing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis, gratuity liability has been adequately provided in books of accounts.

(iii) We draw attention to Note No. 47 to the Financial Statements, Trade Receivables including reimbursables, Trade Payables and Deposits are subject to the balance confirmations, subsequent reconciliation and consequential adjustments, if any, as on March 31, 2019.

Our Opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	Auditor's Response
1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)** The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. (Refer Note No 33 to the Standalone Financial Statements)	We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ● Evaluated the design of internal controls relating to Implementation of the new revenue accounting standard. ● Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. ● Selected a sample of continuing and new contracts and performed the following procedures: ✓ Read, analyzed and identified the distinct performance obligations in these contracts.

Sr.No.	Key Audit Matter	Auditor's Response
		✓ Compared these performance obligations with that identified and recorded by the Company. ✓ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue. ✓ In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified ✓ Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
2	**Impairment testing of Fleets in line with the Ind AS 36** The company at every reporting period, assesses market conditions and other specific risks to determine if there are any triggering events that may be indicators of an impairment of the fleets. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.	We have obtained the management's view to gain an overview of the triggering events, market conditions (present & future) operational factors and other key assumptions supporting the impairment assessment. We have performed the following procedures for verification of impairment testing of Fleets: ● Understanding the process for collecting the inputs into the valuation models to evaluate the design of the company's controls over its impairment assessment and challenged the appropriateness of the inputs and significant assumptions, including the cash flow projections, discount rate, costs and expenses. ● Re-performed the valuation calculations; benchmarked the valuation model with generally accepted valuation techniques; compared historical estimates used by management to actual results. We are able to conclude that the significant judgments are reasonable and free from bias as well as the appropriateness of the valuation models used and their consistent application.
3	**The direct access of certain overseas foreign agents to fund collected on account of freight and other charges.** Liner division of SCI has been carrying out its vessels operations and container marketing activities at various ports in India and abroad through its agency network. Agents perform various activities such as marketing, booking, clearing of cargo, port calls of vessels & also collection of freight on behalf of SCI. SCI depends on its agents for operation of Liner segment business. Since all the activities are performed by the agents there is requirement of funds & also collection of incomes directly by agents & subsequent remittance to SCI which creates a risk on the part of the Company.	We assessed the Company's process to evaluate Agents on timely basis to identify the impact of on the revenue and collection of funds. ● Company has conducted audit by external CA Firms of major overseas agents to whom direct access to collection of fund on account of freight & other charges have been given by the company in order to verify the performance and inspection of evidence in respect of operations. ● Company has also obtained bank guarantee from major agents & also reviewed the same periodically to confirm its validity and completeness with respect to risk exposure on revenue due to direct access to agents.
4	**Evaluation of Dry Docking Cost & Repair Expenses of Vessels:-** As per Ind AS 116 Subsequent costs like expenditure on major maintenance refits or repairs including planned dry-dock are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.	To assess the recognition of dry docking cost & repair cost, we performed the following process: ● Evaluated the design of internal controls relating to the major cost like repairs & dry-docking which are of two types i.e. planned dry-dock & Emergency dry-dock. ● Selected a sample to verify the operating effectiveness of the internal control, relating to identification of the distinction

Sr.No.	Key Audit Matter	Auditor's Response
	A shipping company on periodic basis is required to bring all ships into dry dock for major inspection and overhaul. Overhaul expenditure might at first sight seem to be a repair to the ships but it is actually a cost incurred in getting the ship back into seaworthy condition.	between the two cost i.e. repair & dry-dock cost. ● Tested the relevant information technology systems' relating to the Dry-dock & Fleet related expenses. We are able to conclude that the repairs & dry-dock are reasonable and free from bias as well as the appropriateness of the dry-dock cost capitalized in the books of accounts.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However,

future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure-A"**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 28 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure-B"** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

3. As required under sub section (5) of Section 143 of the Act, in case of the Government Company, we give in the "**Annexure-C**" a statement on the matters specified in the directions and sub –directions issued by Office of the Comptroller and Auditor General of India.

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai
Date: May 28, 2019

For A. Bafna & Co.
Chartered Accountants
FRN.003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No.073515
Place: Mumbai
Date: May 28, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure A" to Independent Auditors' Report

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

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

To the Members of

The Shipping Corporation of India Limited

In conjunction with our audit of the standalone financial statements of **The Shipping Corporation of India Limited** ("the Company") as of and for the year ended March 31, 2019, we have audited the Internal Financial Controls over financial reporting of the Company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) Pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial control over financial reporting as at March 31, 2019.

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

b) The Control on the timely updation of telegram for booking of bunker consumption in correct voyage & recovery from charterer needs to be strengthened.

c) System for Monitoring and Clearing of Vendor Accounts (Including Agent Prefunding), GR/IR Accounts should be done on timely basis and Legacy Balances should be reconciled.

d) The system has to ensure that the TDS is deducted either at the time of booking of expenses or while making the provisions at cut-off date.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of objectives of the control criteria, the internal financial controls over financial reporting of the company were operating effectively as at March 31, 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company as of March 31, 2019 and these material weaknesses do not affect our opinion on the Standalone Financial statements of the Company.

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai
Date: May 28, 2019

For A. Bafna & Co.
Chartered Accountants
FRN.003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No.073515
Place: Mumbai
Date: May 28, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure B" to Independent Auditors' Report

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2019)

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

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

c) According to the information and explanations given to us and on the basis of our examination of records of the company, the title deeds for all immovable properties are held in the name of the Company, except as mentioned in the **Table No.1**, for which no records were made available to us for verification.

(Amount in lakhs)

Apartment Name	No Of Flats	Gross Block	Net Block as on 31.03.19	Title Deeds	Share Certificates
GONDAVALI APTS	10	18.79	8.14	Not Available	Available
CHITRAKOOT APTS	2	4.57	0.86	Not Available	Available
KAVITA APTS	1	2.62	1.14	Not Available	Available
LANDS END APTS	1	2.76	0.60	Not Available	Available
AJANTA APTS	1	2.35	1.02	Not Available	Not Available

(ii) The physical verification of inventories has been conducted at reasonable intervals by the management during the year. No material discrepancies were noticed on such verification.

(iii) The Company has granted loans to four Body Corporates covered in the register maintained under section 189 of the Act.

a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest

b) In the case of loans granted, the terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Payment of interest has been stipulated, and the receipts thereof are regular, except, in case of loan granted to joint venture company India LNG Transport Company (No. 3) Limited, interest instalment amounting to Rs 280.32 Lakhs for the period December 29, 2018 to March 28th, 2019 due on March 29, 2019 has not been received by the company.

c) There are no overdue amounts for more than ninety days in respect of the loans granted.

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

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

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

(vii) a) According to the records of the Company verified by us, we report that the Company is generally regular in payment of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities, except,

According to the information and explanations given to us, following undisputed amounts of provident fund were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

Nature of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates	Due Date	Date of Payment
The Seamen's Provident Fund Act, 1966	Employee's Contribution	58,845	FY 2015-2019	Various Dates	22/05/2019
The Seamen's Provident Fund Act, 1966	Employer's Contribution	58,845	FY 2015-2019	Various Dates	22/05/2019
Employees Provident Fund Act, 1952	Employee's Contribution	1,13,681	FY 2014-2019	Various Dates	22/05/2019
Employees Provident Fund Act, 1952	Employer's Contribution	1,13,681	FY 2014-2019	Various Dates	22/05/2019
TOTAL		**3,45,052**			

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

Amount (Rs. in Lakhs)

Sr No	Name Of The Statute	Nature Of The Dues	The Forum/Authority Where Dispute Is Pending	Financial Year	Sum of Amount Involved	Sum of Amount Paid Under Protest	Sum of Unpaid Amount
1	Finance Act, 1994	Service tax	CESTAT	April 09 to Sep 2015	86,350	3,099	83,251
2	Finance Act, 1994	Service tax	Commissioner (A)	July 12 to Sep 15	8	0	8
3	Finance Act, 1994	Service tax	Commissioner, LTU	Oct 09 to Sep 14	76,474	0	76,474
4	Finance Act, 1994	Service tax	Joint Commissioner, LTU	Oct 08 to Sep 12	134	1	133
5	Income Tax Act, 1961	Tax U/s 143(3)	Bombay High Court	2004 to 2007	3,707	0	3,707
6	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2009-10, 2011-12, 2012-13 & 2014-15	5,800	851	4,949
7	Income Tax Act, 1961	Tax U/s 143(3)	ITAT Mumbai	2007-08	1,013	0	1,013
8	Income Tax Act, 1961	Tax U/s 147	CIT(A) Mumbai	2010-11	38	14	24
9	Income Tax Act, 1961	Tax U/s 147	ITAT Mumbai	2004-05 & 2005-06	2,524	0	2,524
10	Income Tax Act, 1961	Tax U/s 201(1) 201(1A)	CIT(A) Mumbai	2011-12	2,170	109	2,061
11	Income Tax Act, 1961	U/s 195	Bombay High Court	2003-04 & 2005-06	9,820	0	9,820
12	AP VAT Act, 2005	VAT	CTO	2011-12	10	0	10
13	Sales Tax	VAT	Bombay High Court	1993-94,1994-95 & 2017-18	131	0	131
TOTAL					**188,179**	**4,074**	**184,105**

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

(ix) The Company has unutilized proceeds amounting to Rs. 13,385 Lakhs raised through Further Public Offer (FPO) in the earlier years. During the year the company has not utilized the same and the unutilized proceeds are kept in fixed deposits. In our opinion, the term loans have been applied for the purpose for which those have been raised.

(x) We report that certain complaints have been received by the vigilance division of the company for the reporting period for which the investigations are under process. We neither came across any instance of fraud by the company nor any fraud on the company by its officer or employees were noticed or reported during the year or have been informed of any such case by the management.

(xi) The Company is a Government Company, and the provisions of section 197 are not applicable to the company. Therefore, clause (xi) of the said order is not applicable to the company.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore clause (xiv) of the said order is not applicable to the company.

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

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

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai
Date: May 28, 2019

For A. Bafna & Co.
Chartered Accountants
FRN.003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No.073515
Place: Mumbai
Date: May 28, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure C" to Independent Auditors' Report

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

On the Accounts of The Shipping Corporation of India Ltd. for the year 2018-19

Sr.No.	Directions	Auditors' comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If NO, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has One Accounting System i.e. SAP & other major operating softwares such as Danaos & Afsys etc. All these softwares are integrated with each other & there are no transactions which are accounted outside the IT System.	No Impact
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As explained to us and observed during the course of audit, there is no restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan.	No Impact
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As explained to us & observed during the course of audit the Company has received two subsidies in earlier years, status of the same is as follows:- a) Related to Myanmar Service, Company has accounted and utilised the grant as per its term and conditions and amount spent exceeding the grant amounting to Rs. 4.67 Crores is shown as receivable and provision for doubtful advances is created on the same. b) Related to new service from India to Bangladesh-Myanmar and Sri Lanka- Maldives. SCI has received the grant and is still awaiting directions from Ministry to start the service or refund the grant. Company has initiated the process of remitting the interest earned on the grant to the Ministry. (Refer Note No. 43 of Financial statements)	No Impact

Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of the Shipping Corporation of India Limited for the year 2018-19

Sr.No.	Sub-directions	Auditors' comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
1	Whether Substantial portion of Revenue Booked/ invoices raised are reversed or cancelled?	As explained to us and observed during the course of audit, No substantial portion of revenue booked / invoices raised by company are reversed or cancelled except that in normal course of business and due to provision created at the cut-off date as per relevant Ind AS.	No Impact
2	State the system for providing Impairment to vessels	To determine Impairment of each vessel, carrying amount of the vessel is compared with its recoverable amount. Where the carrying amount of the vessel exceeds the recoverable amount, an impairment loss for the vessel is recognized. Recoverable amount of the vessel is higher of	No Impact

		its Market Value & Value in use as on the balance sheet date. Market value of vessels at Balance Sheet date are based on valuation reports provided by reputed international Valuation firms. Value in use of vessels is based on projections of Future Cash inflows & Outflows generated from the use of the vessel and its subsequent sale. Cash inflows and outflows used in the calculation are based on market report of research and advisory firms like Drewry (where available) as well as best available management estimates. Cash Inflow on sale of vessels is considered as their Scrap Value at the end of their useful life. The Value in use of Vessels as on the reporting date is arrived at by discounting the Net Cash Inflows by using Weighted Average Cost of Capital (WACC).	
3	State the system for bifurcating repairs and expense for capitalization and charging to revenue. Whether repairs and expenses which do not add to useful life of vessels are capitalized?	As per the company's accounting policy, expenses incurred during the planned dry docking of vessels and other major repair expenses of vessels like replacement of auxiliary engine etc. are capitalised in the asset's carrying amount if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably as per the recognition criteria of Ind AS 16. All other repairs and expenses that do not meet the recognition criteria of Ind AS 16 are charged to revenue. As observed during the course of audit, repairs and other expenses which do not add to useful life of vessels are not capitalised by the Company and the same are charged to revenue.	No Impact
4	Whether Title to all investments /FD actually available with the Company?	Title to all Investments including investments in shares & fixed deposits are available with the company.	No Impact
5	Whether balance payable to Agents as at the yearend is correctly reflected under the "Liability" head in Balance Sheet?	Yes, As explained & observed during the course of audit at the end of the year the company has a process to identify the Agent balances as receivable or payable. Agents having Credit balances i.e. where money is payable to the agent, such balances are disclosed under the "Liability" head in the balance sheet.	No Impact

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai
Date: May 28, 2019

For A. Bafna & Co.
Chartered Accountants
FRN.003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No.073515
Place: Mumbai
Date: May 28, 2019

The Shipping Corporation of India Limited

STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	**3**	1,111,656	1,134,748
Capital work-in-progress	**4**	763	781
Other intangible assets	**5**	253	52
Financial assets			
i. Investments	**6(a)**	7,714	7,482
ii. Loans	**6(b)**	2,036	1,885
iii. Other financial assets	**6(c)**	7	91
Income Tax assets (net)	**7**	12,054	14,879
Other non-current assets	**8**	8,180	7,921
Total non-current assets		**1,142,663**	**1,167,839**
Current assets			
Inventories	**10**	15,979	11,653
Financial assets			
i. Investments	**6(d)**	-	5,605
ii. Trade receivables	**6(e)**	59,892	66,264
iii. Cash and cash equivalents	**6(f)**	9,538	24,178
iv. Bank balances other than (iii) above	**6(g)**	90,278	86,953
v. Loans	**6(b)**	22,381	23,618
vi. Other financial assets	**6(c)**	47,676	31,878
Current Tax assets (net)	**9**	3,508	-
Other current assets	**8**	22,905	18,838
Assets classified as held for sale	**11**	7	28
Total current assets		**272,164**	**269,015**
Total assets		**1,414,827**	**1,436,854**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**12**	46,580	46,580
Other Equity	**13**	651,541	663,176
Total equity		**698,121**	**709,756**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	**14(a)**	252,666	330,657
ii. Other financial liabilities	**14(b)**	41	94
Provisions	**15**	9,773	9,004
Deferred tax liabilities (net)	**16**	9,153	10,395
Total non-current liabilities		**271,633**	**350,150**

The Shipping Corporation of India Limited

STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Current liabilities			
Financial liabilities			
i. Borrowings	**14(c)**	158,748	127,441
ii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	**14(d)**	545	2,579
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	**14(d)**	127,075	95,787
iii. Other financial liabilities	**14(b)**	128,142	115,670
Other current liabilities	**17**	9,168	15,259
Provisions	**15**	891	932
Liabilities directly associated with assets classified as held for sale	**18**	20,504	19,280
Total current liabilities		**445,073**	**376,948**
Total liabilities		**716,706**	**727,098**
Total equity and liabilities		**1,414,827**	**1,436,854**

The accompanying statement of profit & loss, cash flow statement, statement of changes in equity and notes no. 1 to 48 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

CA Chetan R. Sapre
Partner
Membership No. 116952

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

The Shipping Corporation of India Limited

STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	**19,20**	392,586	346,947
Other income	**21**	21,823	14,800
Total Income		**414,409**	**361,747**
Expenses			
Cost of services rendered	**22**	257,197	222,381
Employee benefits expense	**23**	45,244	48,592
Finance costs	**24**	24,586	17,979
Depreciation and amortisation expense	**25**	65,846	61,025
Other expenses	**26**	29,021	8,822
Total expenses		**421,894**	**358,799**
Profit/(Loss) before exceptional items and tax		**(7,485)**	**2,948**
Exceptional items		-	-
Profit/(Loss) before tax		**(7,485)**	**2,948**
Tax expense	**29**		
Current tax		7,090	6,000
Deferred tax		(1,242)	(28,427)
MAT Credit Entitlement		(1,134)	-
Total tax expense		**4,714**	**(22,427)**
Profit/(Loss) for the period		**(12,199)**	**25,375**
Other comprehensive income			
Items that will not be reclassified to profit or loss: Remeasurements gain/(loss) of defined benefit plans		564	1,103
Other comprehensive income for the period, net of tax		**564**	**1,103**
Total comprehensive income for the period		**(11,635)**	**26,478**
Earnings per equity share	**27**		
Basic earnings per share (in ₹)		**(2.62)**	**5.45**
Diluted earnings per share (in ₹)		**(2.62)**	**5.45**

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes no. 1 to 48 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Chetan R. Sapre
Partner
Membership No. 116952

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

The Shipping Corporation of India Limited

STANDALONE CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(A) Cash Flow from operating activities		
Profit/(Loss) before income tax	(7,485)	2,948
Adjustments for		
Add:		
Depreciation and amortisation expenses	65,846	61,025
Finance costs	24,586	17,979
Bad debts and irrecoverable balances written off	986	525
Provision for doubtful debts	3,195	511
Write off of Fixed Assets	191	-
Provision of Asset held for sale	95	-
Less:		
Dividend received	(287)	(205)
Interest received	(9,045)	(8,630)
Excess Provisions written back	(1,778)	(5,046)
Surplus on sale of fixed assets	(11,395)	(5,150)
Change in non-current investment due to fair valuation	(232)	(19)
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(16,217)	(18,988)
(Increase)/Decrease in inventories	(4,326)	(132)
(Increase)/Decrease in trade payables	22,737	(12,998)
Cash generated from operations	66,871	31,820
Income taxes paid	(6,639)	(8,985)
Net cash inflow from operating activities (A)	**60,232**	**22,835**
(B) Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(47,613)	(64,777)
Sale proceeds of property, plant and equipment	16,050	17,807
Dividend received	287	205
Purchase of investments	-	(5,605)
Proceeds from sale of investments	5,605	-
Recovery of Loans given to employees and joint venture	1,001	2,855
Other Deposits with banks	(3,102)	(6,518)
Advances and other Deposits	(672)	194
Interest received	8,490	8,765
Net cash outflow from investing activities (B)	**(19,953)**	**(47,074)**

The Shipping Corporation of India Limited

STANDALONE CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(C) Cash flow from financing activities		
Long term loans borrowed/(repaid)	(62,099)	(20,713)
Short term loans borrowed/(repaid)	31,307	30,021
*Dividend on shares paid of earlier years and transfer to IEPF	(20)	(7)
Interest paid	(22,640)	(16,603)
Other financing costs	(1,243)	(1,411)
Net cash inflow/(outflow) from financing activities (C)	**(54,695)**	**(8,713)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(14,417)**	**(32,952)**
Add: Changes in Bank balances (unavailable for use) *	(223)	7
Add: Cash and cash equivalents at the beginning of the financial year	24,178	57,123
Cash and cash equivalents at the end of the year	**9,538**	**24,178**
Reconciliation of Cash Flow statements as per the cash flow statement		
Cash Flow statement as per above comprises of the following	**31 March 2019**	**31 March 2018**
Cash and cash equivalents	9,538	24,178
Balances as per statement of cash flows	9,538	24,178

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

The accompanying balance sheet, statement of profit & loss, statement of changes in equity and notes no. 1 to 48 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

CA Chetan R. Sapre
Partner
Membership No. 116952

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)

Balance as at 1st April 2017	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2018	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2019	**46,580**

B. Other Equity

Particulars	Note	Reserves and Surplus						Total Equity
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Other Reserves			
					General Reserve	Tonnage Tax Reserve	Tonnage Tax Reserve (Utilised)	
Balance as at 31 March 2017		**14,298**	**52,177**	**16,695**	**552,777**	**750**	**-**	**636,697**
Profit for the year	31	-	-	25,376	-	-	-	**25,376**
Other Comprehensive Income for the year		-	-	1,103	-	-	-	**1,103**
Total Comprehensive Income for the year		-	-	26,479	-	-	-	**26,479**
Transfer from Tonnage tax reserve (utilised)		-	-	-	750	-	-	**750**
Transfer from surplus in Statement of Profit & Loss account		-	-	-	-	-	-	**-**
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	-	750	**750**
Transfer from Tonnage tax reserve		-	-	-	-	(750)	-	**(750)**
Transfer to Capital Reserve		907	-	(907)	-	-		
Transfer to General Reserve		-	-	-	-	-	(750)	**(750)**
Balance as at 31 March 2018		**15,205**	**52,177**	**42,267**	**553,527**	**-**	**-**	**663,176**
Profit for the year	31	-	-	(12,199)	-	-	-	**(12,199)**
Other Comprehensive Income for the year		-	-	564	-	-	-	**564**
Total Comprehensive Income for the year		-	-	**(11,635)**	-	-	-	**(11,635)**
Transfer from Tonnage tax reserve (utilised)		-	-	-	-	-	-	**-**
Transfer from surplus in Statement of Profit & Loss account		-	-	-	-	-	-	**-**
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	-	-	**-**
Transfer from Tonnage tax reserve		-	-	-	-	-	-	**-**
Transfer to Capital Reserve		-	-	-	-	-	-	
Transfer to General Reserve		-	-	-	-	-	-	**-**
Balance as at 31 March 2019		**15,205**	**52,177**	**30,632**	**553,527**	**-**	**-**	**651,541**

The accompanying balance sheet, statement of profit & loss, cash flow statement and notes no. 1 to 48 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

CA Chetan R. Sapre
Partner
Membership No. 116952

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

Corporate Information

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

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

These financial statements are approved for issue by the Board of Directors on 28th May 2019.

Note 1: Significant Accounting Policies

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

1.1 Basis of Preparation

(a) Compliance with the Indian Accounting Standards

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with Section 133 of the Companies Act, 2013 ("the Act") to the extent applicable and current practices prevailing within the Shipping Industries in India. The policies set out below have been consistently applied during the years presented.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

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

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

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

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

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

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

(e) Amended standard adopted by the Company

(i) Ind AS 115 'Revenue from Contracts with Customers':

The Company has implemented the Ind AS 115 "Revenue from Contracts with Customers" as notified by Ministry of Corporate Affairs on 28th March 2018 through the "Companies (Indian Accounting Standard) Amendment Rules, 2018.

For Ind AS 115, the modified retrospective approach has been applied which entails that any cumulative effects are recognised in retained earnings as of 1 April 2018 and the comparison period has not been restated. The implementation of the standard has no material impact on accounts. The current practice for recognising revenue has been shown to comply in all material aspects, with the concepts and principles encompassed by the new standard. The other amendments encompass various guidance and clarifications which only affect disclosures.

The disclosures of significant accounting reporting requirements and assumptions relating to revenue from contracts with customers are provided in Note No. 33.

(ii) Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance':

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2018 (the Rules) on 20 September 2018. The Rules amended Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance. These amendments are applicable from 1 April 2018 onwards.

A government grant in the form of a non-monetary asset may be accounted either at fair value or at a nominal amount. As per the pre-amended (or original) standard, such a grant was necessarily required to be initially recognized at fair value.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. In consequence to this, in case of repayment of such grant, the same shall be recognized by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognized in profit or loss to date in the absence of the grant shall be recognized immediately in profit or loss. In case of repayment of grant, the company shall also be required to consider the possible impairment of the new carrying amount of the asset.

Corresponding changes have also been made to Ind AS 16 – Property, Plant and Equipment as well as Ind AS 38 – Intangible Assets to accommodate the above alternative accounting treatment. Ind AS 12 – Income Taxes has also been amended to state that deferred tax is not required to be recognized in respect of non-taxable government grant, where the grant is deducted from the carrying amount of the asset.

The Company applied this amendment w.e.f. from accounting period commencing on or after April 1, 2018. The current practice has been shown to comply in all material aspects, with amendments in the standard and the amendment in the standard has no impact on accounts.

(f) Recent accounting pronouncements

Standard issued but not yet effective

(i) Ind AS 116 'Leases':

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019 notifying the Ind AS 116 'Leases'. This new standard will be applicable for period beginning on 1st April 2019.

Ind AS 116, 'Leases' covers the recognition of leases and related disclosure in the financial statements, and will replace Ind AS 17 'Leases'. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with Ind AS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for operating leases. It would require further evaluation of each contract to determine whether all lease contracts in the Company currently not defined as financial lease, would qualify as leases under new standard.

The Company has evaluated the impact of Ind AS 116. The standard will be implemented using the modified retrospective approach, where comparative information will not be restated. The current material lease contracts are related to time charter contracts, land and Building, Containers etc. According to Ind AS 116, operating leases of longer than 12 months will be accounted for on balance sheet as right-of-use assets and lease liabilities. The Company expects to opt for the short-term and low-value leases exemptions. This standard will be applied by the Company from its effective date i.e. from accounting period commencing on or after April 1, 2019.

Based on analysis to date and on interest rates prevailing as at 1st April 2019, the Company estimates the following for the financial year 2019-20:

An increase of the lease liabilities in the range of Rs 11200-11500 lakhs,

Additional depreciation expense of nearly Rs 3449 lakhs,

Additional interest expenses of nearly Rs 753 lakhs.

Hence, Management estimates that Profit and Loss for the financial year 2019-20 may be negatively impacted by an amount of Rs 229 lakhs, based on the lease portfolio as at March 31, 2019. However, the impact of containers taken on lease is not included in the above estimates as the impact is not known or cannot be reasonably estimated as it will depend on factors such as the exact composition of lease portfolio, lease period etc.

The actual impact of Ind AS 116 implementation may vary compared to the above latest estimates due to, among other things, the exact composition of the lease portfolio at that time, latest data regarding time charter rates / agreement rates and potential changes in the level of prevailing interest rates.

(ii) Other Amendments:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30th March 2019 notifying the following amendments which are applicable for period beginning on 1st April 2019:

- Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments
- Amendments to Ind AS 103: Business Combinations
- Amendments to Ind AS 109: Prepayment features with Negative Compensation
- Amendments to Ind AS 111: Joint Control and Joint Operations
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

- Amendments to Ind AS 23: Borrowing
- Amendments to Ind AS 28: Long-term interests in associates and joint-ventures

Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments - The principles of uncertain tax treatments is included in the scope of Ind AS 12 "Income taxes". In essence, it assumes that taxation authorities will examine all uncertain tax treatments and will have full knowledge of all related information when doing so. Hence, a tax liability should be recognized when it is probable that the tax authority will refuse the tax treatment.

The Company will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 103: Business Combinations – The amendment explains that when a party to a joint arrangement on obtaining a control of a business that is a joint operation and had right to the assets and obligation for the liabilities relating to the joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages and acquirer shall apply requirement for business combination achieved in stages. The Company will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 109: Financial Instruments - Prepayment features with Negative Compensation – The amendment allows companies to measure particular prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income instead of measuring those assets at fair value through profit or loss. The Company will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 111: Joint Arrangements - Joint Control and Joint Operations –The amendment that states that a party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. In such cases, previously held interests in the joint operation are not remeasured. The Company will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 19: Employee Benefits – Plan Amendment, Curtailment or Settlement - The amendments are relating to changes in determining the past service cost and current service cost on plan amendment, curtailment or settlement and about consideration of effect of asset ceiling. The Company will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 23: Borrowing Costs – The amendment is about determination of amount of borrowing cost eligible for capitalisation in a case where an entity borrows fund generally and uses them for the purpose of obtaining a qualifying asset by applying a capitalisation rate to the expenditures on that asset. The Company will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 28: Investments in Associates and Joint Ventures - The amendment is about application of Ind AS 109 (Financial Instruments) to other financial instruments in an associate or joint venture to which the equity method is not applied. The Company will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

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

1.2 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

All foreign currency transactions are recorded at the previous day's available RBI reference rate/exchange rate published through FBIL (Financial Benchmarks India Private Limited). Since the RBI reference rate published through FBIL is available for four major currencies only i.e, USD, UKP, EUR, YEN, exchange rates of other currencies are taken from xe.com website.

The foreign currency balances in US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the available RBI reference rate/exchange rate published through FBIL at the period end. The foreign currency balances other than US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the rate available on xe.com website at the period end. Thereafter, the monetary assets and monetary liabilities as well as the Long Term Loans are translated into rupees at RBI reference rate/exchange rate published through FBIL prevailing at the period end.

Exchange difference arising on repayment of liabilities and conversion of foreign currency closing balances pertaining to long term loans for acquiring ships / containers / other depreciable assets and asset under construction is recognised as follows:

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

b) In respect of long term loans after 31.03.2016, the exchange difference is charged / credited to Statement of Profit & Loss.

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

1.3 Property, plant and equipment

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

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

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

Transition to Ind AS:

On transition to Ind AS -

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

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

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

Depreciation:

Depreciation on all vessels is charged on "Straight Line Method" less residual value. In the case of Liner and Bulk Carrier vessels, the company has adopted useful life of 25 years as mentioned in Schedule II to the Companies Act, 2013. In case of Tankers & Offshore Vessels, the company has adopted a useful life of 25 years based on the technical parameters including design life and the past record. In case of VLGC vessel, the company has adopted a useful life of 30 years as mentioned in Schedule II to the Companies Act, 2013. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25/30 years from the date of original built.

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

Depreciation on other tangible assets is provided on the straight line basis, over the estimated useful lives of assets as prescribed in the Schedule II of the Act, except in following cases:

1) Solar Plants are depreciated over a period of 25 years based on the technical assessment of useful life.

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

3) Furnishing allowances given to Senior Executives are depreciated over a period of 3 years.

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

Retirement And Disposal Of Assets

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

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

c) Profits on sale of assets are accounted for only upon completion of sale thereof.

1.4 Intangible assets

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

Transition to Ind AS:

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

Amortisation

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

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

1.5 Borrowing costs

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

1.6 Impairment of non-financial assets

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

1.7 Inventories

Inventories are valued at cost (as determined on Moving Average/Weighted Average method) or net realisable value, whichever is lower, unless otherwise stated.

Fuel oil purchases are initially booked as stock. The value of year-end stock is arrived at after charging consumption on “moving average /weighted average” method.

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

1.8 Non-current assets held-for-sale

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

1.9 Trade Receivable

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

1.10 Cash and cash equivalents

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

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

1.11 Investments and other financial assets

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

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

• those measured at amortised cost.

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

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

Debt instruments

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

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

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

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

Equity Instruments

a) Subsidiary and Joint Ventures

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

b) Others

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

iii. Derecognition

A financial asset is derecognised only when:

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

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

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

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

iv. Impairment of Financial Assets

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

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

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

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

v. Income recognition

Interest income

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

Dividend

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

1.12 Offsetting Financial instruments

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

1.13 Contributed equity

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

1.14 Financial liabilities

i. Classification as debt or equity

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

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

ii. Initial recognition and measurement

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

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

iii. Subsequent measurement

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

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

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

iv. Derecognition

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

1.15 Income tax

Provision for income tax liability is made as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company. Provision for income- tax on non-shipping income is made as per the normal provisions of the Income- Tax Act 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws in previous years is recognised as an asset and adjusted against provision for income tax liability of the year in which there is a reasonable certainty which give rise to future economic benefits in the form of tax credit against future income tax liability.

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

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

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

1.16 Employee Benefits

a) Short-term / long term obligations

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

b) Defined contribution plan

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

c) Defined benefit plan

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

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

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

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

1.17 Prior period items

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

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

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

1.18 Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made is treated as contingent liability.

Contingent Assets

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

1.19 Revenue Recognition

Revenue Income is recognised in the Statement of Profit and Loss when:

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Company
- Costs relating to the transaction can be measured reliably

Revenue for all businesses is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services.

Revenue is recognised when or as performance obligations are satisfied by transferring the promised goods or services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably.

Revenue mainly comprises freight, charter hire and demurrage revenues from the vessels.

Freight - The Company generates revenue from shipping activities. Revenues from vessels are mainly derived from a combination of time charters and voyage charters. Revenue from a voyage charter is recognised over time, which is determined on a percentage of voyage completion method.

Charter-hire - Revenue from a time charter is recognised on a straight-line basis over the period of the charter.

Demurrage revenue - Freight contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. If these conditions are breached, the Company is compensated for the additional time incurred in the form of demurrage revenue. Demurrage revenue is recognised upon delivery of services in accordance with the terms and conditions of the contract. Upon completion of the voyage, the Company assesses the time spent in port, and a demurrage claim based on the relevant contractual conditions is submitted to the charterers. (Further, refer Note No 2 (g) – Demurrage).

Profit from sale of vessels - Revenue from the sale of vessel is recognised upon the transfer of control to the buyer.

Cost of services rendered includes port expenses, bunkers (Fuel Oil), commissions, hire of chartered steamers, stores, spares, repair and maintenance expenses, Insurance expenses etc.

Employee Benefit Expenses - Operating expenses, which comprise of shore staff & floating staff expenses.

Financial expenses - Financial expenses comprise interest expenses.

Other expenses – Other expenses which comprise office expenses, provisions, managements cost and other expenses relating to administration.

1.20 Insurance, P&I And Other Claims

(a) Provision in respect of claims against the Company is made as under:-

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

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

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

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

ii. Claims against the underwriters are initially accounted for based on the admission of the claims liability by the underwriters. The final adjustment in the recoverable amount is done on submission of the Adjuster's report to the underwriters which reflect the exact recoverable amount from the underwriters

(c) Claims made by the Company against other parties not covered under insurance including ship repair yards, ship-owners, ship charterers, customs and others, etc. are recognised on realisation, due to uncertainty in the amounts of their ultimate recovery

1.21 Leases

Operating lease

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

1.22 Segment Reporting

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

1.23 Earnings per share

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

1.24 Cash flow statement

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

1.25 Government Grants

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

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

Note 2: Critical Accounting Estimates and Judgements

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

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

a) Useful lives of vessels

Management of the Company decided the estimated useful lives of vessels and respective depreciation. The accounting estimate is based on the expected wears and tears. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of fixed assets. [Refer Note No 41 (a) & 41 (b)]

b) Residual Value

Residual value is considered as 5% of original cost of Vessel. In case of other assets, the residual value, being negligible, has been considered as nil. The residual value of vessels is reviewed every year on 31st March. On the basis of review of residual value of vessels as on 31st March 2019, 2 PSV and 4 AHTS vessels are estimated to be having scrap value less than 5% of original cost. Therefore, residual value of 2 PSV and 4 AHTS vessels is reduced to approximately 4 %. [Refer Note No. 41 (c)]

c) Impairment of assets

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

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

d) Defined benefit obligations

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

Discount Rate for the valuation is determined by reference to market yields at the balance sheet date on Government Bonds. This is the rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations.

e) Provision

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

f) Impairment of Trade Receivable

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

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

g) Demurrage

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

h) Income Tax

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Freehold Land	Buildings	Ownership Flats & Residential Buildings	Fleet*	Fleet Drydock	Ownership Container	Furniture, Fittings & Equipments	Moter Vehicles	Total
Net carrying amount (31 March 2017)	**237,630**	**1,055**	**130**	**874,789**	**26,538**	**-**	**920**	**-**	**1,141,062**
Year ended 31 March 2018									
Gross carrying amount									
Opening gross carrying amount (31 March 2017)	237,630	1,107	140	1,306,182	46,704	-	1,511	8	1,593,282
Additions	-	-	-	48,292	15,477	-	170	-	63,939
Disposals	-	-	-	(61,798)	(875)	-	-	-	(62,673)
Transfer	-	-	-	-	2,733	-	-	-	2,733
Closing gross carrying amount (31 March 2018)	**237,630**	**1,107**	**140**	**1,292,676**	**64,039**	**-**	**1,681**	**8**	**1,597,281**
Accumulated depreciation									
Opening accumulated depreciation (31 March 2017)	-	52	10	431,393	20,166	-	591	8	452,220
Depreciation charge during the year	-	28	5	46,207	14,517	-	257	-	61,014
Disposals	-	-	-	(50,300)	(401)	-	-	-	(50,701)
Closing accumulated depreciation (31 March 2018)	**-**	**80**	**15**	**427,300**	**34,282**	**-**	**848**	**8**	**462,533**
Net carrying amount (31 March 2018)	**237,630**	**1,027**	**125**	**865,376**	**29,757**	**-**	**833**	**-**	**1,134,748**
Year ended 31 March 2019									
Gross carrying amount									
Opening gross carrying amount (31 March 2018)	237,630	1,107	140	1,292,676	64,039	-	1,681	8	1,597,281
Additions	-	-	-	21,128	25,158	-	267	10	46,563
Assets classified as held for sale (Note 11)	-	-	-	(97)	-	-	-	-	(97)
Disposals	-	-	-	(82,088)	(4,571)	-	-	-	(86,659)
Transfer	-	-	-	-	781	-	-	-	781
Closing gross carrying amount (31 March 2019)	**237,630**	**1,107**	**140**	**1,231,619**	**85,407**	**-**	**1,948**	**18**	**1,557,869**
Accumulated depreciation									
Opening gross carrying amount (31 March 2018)	-	80	15	427,300	34,282	-	848	8	462,533
Depreciation charge during the year	-	28	5	47,787	17,689	-	250	1	65,760
Assets classified as held for sale (Note 11)	-	-	-	(16)	-	-	-	-	(16)
Disposals	-	-	-	(77,994)	(4,070)	-	-	-	(82,064)
Closing accumulated depreciation (31 March 2019)	**-**	**108**	**20**	**397,077**	**47,901**	**-**	**1,098**	**9**	**446,213**
Net carrying amount (31 March 2019)	**237,630**	**999**	**120**	**834,542**	**37,506**	**-**	**850**	**9**	**1,111,656**

Notes

(1) Additions to Fleet include ₹ 19743 Lakhs (Previous year ₹ 76 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy of foreign currency translation.

(2) Buildings include cost of Shipping House at Mumbai ₹ 134 lakhs (31st March 2018, ₹ 134 lakhs) which is on leasehold land wherein the value of lease is considered at ₹ 1.

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

(4) *Refer Note no. 35 for Fleet pledged with banks for Borrowings.

(5) the Gross carrying amount of significant property, plant and equipment which are fully depreciated and are still in use as on 31st March 2019 are as follows:- Fleet - ₹ 56003 lakhs (MT Ankleshwar - ₹ 27666 lakhs & MT Maharaja Agrasen - ₹ 28337 lakhs).

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

Note 4: Capital Work-in-Progress

Particulars	As at March 31,2017	Incurred during the year	Capitalised/ Adjusted	As at March 31,2018	Incurred during the year	Capitalised/ Adjusted	As at March 31,2019
(A) Construction Work in Progress							
Asset under Construction excluding advance	2,733	781	2733	781	763	781	763
(B) Construction Period Expenses							
a. Interest	-	-	-	-	-	-	-
b. Other directly attributable expenses	-	-	-	-	-	-	-
c. Exchange fluctuation	-	-	-	-	-	-	-
Total(A+B)	**2,733**	**781**	**2,733**	**781**	**763**	**781**	**763**

Note 5 : Intangible assets

Particulars	Computer Software	Total
Closing net carrying amount (31 March 2017)	**6**	**6**
Year ended 31 March 2018		
Gross carrying amount		
Opening gross carrying amount (31 March 2017)	1,279	1,279
Additions	57	57
Closing gross carrying amount (31 March 2018)	**1,336**	**1,336**
Accumulated amortisation		
Opening accumulated amortisation (31 March 2017)	1,273	1,273
Amortisation charge for the year	11	11
Closing accumulated amortisation (31 March 2018)	**1,284**	**1,284**
Closing net carrying amount (31 March 2018)	**52**	**52**
Year ended 31 March 2019		
Gross carrying amount		
Opening gross carrying amount (31 March 2018)	1,336	1,336
Additions	287	287
Closing gross carrying amount (31 March 2019)	**1,623**	**1,623**
Accumulated amortisation		
Opening accumulated amortisation (31 March 2018)	1,284	1,284
Amortisation charge for the year	86	86
Closing accumulated amortisation (31 March 2019)	**1,370**	**1,370**
Closing net carrying amount (31 March 2019)	**253**	**253**

Note 6: Financial assets
Note 6(a): Non-current investments

Particulars	Face value	31 March 2019		31 March 2018	
		No. of shares/ Units	₹ in lakhs	No. of shares/ Units	₹ in lakhs
Investment in equity instruments (fully paid-up)					
Unquoted					
(i) Investment carried at cost					
In Subsidiary					
Inland & Coastal Shipping Limited	₹ 10	50000	5	50000	5

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	31 March 2019		31 March 2018	
		No. of shares/ Units	₹ in lakhs	No. of shares/ Units	₹ in lakhs
In Joint Venture					
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 1) Ltd.	€ 2.33	2908	3	2908	3
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.	€ 2.33	2908	3	2908	3
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.	$ 1	2600	1	2600	1
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Ltd.	$ 1	11036558	7,352	11036558	7,352
(ii) Investment carried at fair value through Profit or loss					
5,00,00,000 (Prev. yr. 5,00,00,000) Ordinary Shares of ₹ 10 each fully paid of Sethusamudram Corp. Ltd.	₹ 10	50000000	5,000	50000000	5,000
Less: Loss allowance			5,000		5,000
			-		-
3438 Equity Shares of ₹ 20/- each of Scindia Steam Navigation Company Ltd., fully paid (₹ 0.30 lakhs ; Prev. yr. ₹ 0.30 lakhs)	₹ 20	3438	-	3438	-
Less: Loss allowance			-		-
			-		-
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd. (Previous year ₹ 60000)	₹ 10	60000	350	60000	118
Total (equity instruments)			**7,714**		**7,482**
Total non-current investments			**7,714**		**7,482**
Aggregate amount of unquoted investments			12,714		12,482
Aggregate amount of impairment in the value of investments			5,000		5,000
Investments carried at cost			7,364		7,364
Investments carried at fair value through Profit and Loss			350		118

(A) Sethusamudram Corporation Ltd. (SCL), a Special Purpose Vehicle was incorporated on 06.12.2004 for developing the Sethusamudram Channel Project with Tuticorin Port Trust, Ennore Port Ltd, Visakhapatnam Port trust, Chennai Port Trust, Dredging Corporation of India Ltd., Shipping Corporation of India Ltd. and Paradip Port Trust as the shareholders. SCI participated with an investment of ₹ 5000 lakhs (previous year ₹ 5000 lakhs). The dredging work is suspended from 17.09.2009 consequent upon the direction of the Hon'ble Supreme Court of India. As there is no progress in the project since then, the Management had provided for diminution towards the investment in FY 2012-13.

(B) India LNG Transport Companies No. 1 & 2 Ltd. are two joint venture companies promoted by the Corporation and three Japanese companies Viz. M/S Mitsui O.S.K.lines Ltd. (MOL), M/S Nippon Yusen Kabushiki Kaisha Ltd (NYK Lines) and M/S Kawasaki Kisen Kaisha Ltd (K Line) along with M/S Qatar Shipping Company (Q Ship), Qatar. SCI and MOL are the largest shareholders, each holding 29.08% shares while NYK Line 17.89%, K Line 8.95% & Q Ship holds 15% respectively. The Shares held by the Corporation and other partners in the two joint venture Companies have been pledged against loans provided by lender banks to these companies. India LNG Transport Company No.1 Ltd owns and operates one LNG Carrier Disha and India LNG Transport Company No. 2 Ltd owns and operates one LNG Carrier Raahi.

(C) India LNG Transport Company No. 3 Ltd. is the 3rd joint venture company which owns and operates one LNG Carrier Aseem. The company is promoted by the Corporation and three Japanese partners viz. MOL, NYK Lines, K Line along with M/S Qatar Gas Transport Company (QGTC), Qatar and M/s Petronet LNG Limited (PLL), India who are the other partners. SCI and MOL are the largest shareholders with 26% share each, while NYK, K Line, QGTC and PLL hold 16.67%, 8.33%, 20% and 3% respectively. The Shares held by the Corporation and other partners in the joint venture company have been pledged against loans provided by lender banks to this company.

(D) India LNG Transport Company (No. 4) Pvt. Ltd. is the 4th Joint Venture Company is promoted by the Corporation and three Japanese partners viz NYK, MOL and K Line along with PLL, India. SCI, NYK and PLL are the largest shareholders with 26% share each, while MOL and Kline hold 15.67% and 6.33% respectively. The Shares held by the Corporation and other partners in the joint venture company have been pledged against loans provided by lender banks to this company. India LNG Transport Company (No. 4) Pvt. Ltd owns and operates one LNG Carrier Prachi.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(E) Inland & Coastal Shipping Ltd is the 100 percent Subsidiary.

Note 6(b): Loans

Particulars	31 March 2019		31 March 2018	
	Current	Non-Current	Current	Non-Current
Considered good - Secured				
Loans to employees	347	1,562	316	1,573
Considered good - Unsecured				
Loans to related parties*	22,034	-	23,302	-
Security Deposits	-	474	-	312
Total loans	**22,381**	**2,036**	**23,618**	**1,885**

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

Note 6(c): Other financial assets

Particulars	31 March 2019		31 March 2018	
	Current	Non-Current	Current	Non-Current
Financial Assets carried at amortised cost				
Advances recoverable in cash				
- From Related Parties (Refer Note no. 30 for details)				
Interest Receivable	302	-	101	-
Bank deposits with more than 12 months maturity				
- Term Deposits	-	-	-	87
Receivable from Subsidiary-ICSL Ltd.	10	-	10	-
Income accrued on deposits/investments	2,985	-	2,514	-
Claim Recoverable	11,059	-	2,655	-
Unbilled Revenue (Contract Asset) (Refer Note no. 33 for details)	33,968	-	26,597	-
Less: Provision for doubtful debts	(650)	-	-	-
	33,319	-	26,597	-
Others	1	7	1	4
Total other financial assets	**47,676**	**7**	**31,878**	**91**

Note 6(d): Current investments

Particulars	Face value	As at 31 March 2019		As at 31 March 2018	
		No. of Units	Amount	No. of Units	Amount
Investment carried at fair value through profit or loss **Unquoted** **(a) Investment in equity instruments (fully paid-up)** 295,029 (Prev. yr. 295,029) shares of 1 USD each fully paid of ISI Maritime Ltd. (Shares are received as a gift from Irano-Hind Shipping Co. Ltd.)	$ 1	295,029	-	295,029	-
500 (Prev.yr.500) shares of Rs 10 each fully paid up of Jaladhi Shipping Services (India) Pvt. Ltd. (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)	₹ 10	500	-	500	-
16 (Prev.yr.16) shares of USD 1 each fully paid up of BIIS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)*	$ 1	16	-	16	-
Total(Equity instruments)			**-**		**-**
(b) Investments in Mutual Funds 5,59,179.69 Units of IDBI Mutual Fund - LFD1-IDBI Liquid Fund - Direct Plan-Daily Dividend		-	-	559,179.69	5,605
Total (mutual funds)					**5,605**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	As at 31 March 2019		As at 31 March 2018	
		No. of Units	Amount	No. of Units	Amount
Total current investments			-		5,605
Aggregate amount of quoted investments and market value thereof			-		-
Aggregate amount of unquoted investments			-		5,605
Aggregate amount of impairment in the value of investments			-		-
Investments carried at fair value through Profit and Loss			**-**		**5,605**

* Shares have pledged to banks against loans given by them

Note 6(e): Trade receivables

Particulars	31 March 2019	31 March 2018
Trade Receivable*	85,515	94,920
Less: Allowance for doubtful debts	25,623	28,656
Total receivables	**59,892**	**66,264**
Current Portion	59,892	66,264
Non Current Portion	-	-

Break up of above details

Particulalrs	31 March 2019	31 March 2018
Considered good - Secured	8,474	7,819
Considered good - Unsecured	51,332	58,302
Trade Receivables which have significant increase in Credit Risk	22,103	24,950
Trade Receivables - credit impaired	3,606	3,849
Total	**85,515**	**94,920**
Allowance for doubtful debts	25,623	28,656
Total trade Receivables	**59,892**	**66,264**

*Significant Receivables from related parties (refer note no. 30)

Note 6(f): Cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	5,995	3,029
- in current account with repatriation restrictions	-	10
- in deposits account with original maturity of less than three months	3,543	21,139
Total cash and cash equivalents	**9,538**	**24,178**

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

Particulars	31 March 2019	31 March 2018
Earmarked Balance with Bank towards unpaid dividend	-	20
Margin money for Bank Guarantee	257	14
Other Deposits with banks*	90,021	86,919
Total Bank balances other than cash and cash equivalents	**90,278**	**86,953**

*Refer Note no. 35 for Deposits pledged with banks for Borrowings

*Fixed deposit includes unutilised funds of FPO as on 31st March 2019 is ₹ 13385 lakhs (as on 31st March 2018 is ₹ 13385 lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 7: Income Tax Assets(net)

Particulars	31 March 2019	31 March 2018
Income Tax Assets(Net) *	12,054	14,879
Total Income Tax Assets(Net)	**12,054**	**14,879**

* Refer Note no. 29 for further details

Note 8: Other assets

Particulars	31 March 2019		31 March 2018	
	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances				
Advances to employees				
i) Secured, Considered Good	-	-	-	-
ii) Unsecured, Considered Good	225	-	125	-
	225	-	125	-
Advances to Others				
i) Unsecured, Considered Good	9,792	-	5,910	-
ii) Unsecured, Considered Doubtful	1,738	-	1,697	-
	11,530	-	7,607	-
Less : Provision for Doubtful Advances	1,738	-	1,697	-
	9,792	-	5,910	-
(b) Others				
Excess - Gratuity Fund	-	3,265	-	3,243
Balances with statutory authorities				
- Cenvat Credit Receivables	95	-	91	-
- Service tax paid under Protest	-	3,100	-	3,100
- Advance Service Tax	-	-	198	-
- GST Receivable	11,018	-	12,141	-
- Predeposit with Income Tax Department	-	974	-	851
	11,113	4,074	12,430	3,951
MAT Credit				
Opening	-	-	-	-
Add : Credit during the year	1,134	-	-	-
Less : MAT Credit Availed	-	-	-	-
	1,134	-	-	-
Subsidy for Passenger service (Myanmar)	467	-	467	-
Less : Provision for Doubtful Advances	467	-	467	-
	-	-	-	-
Prepaid Expenses	640	-	372	-
Others	1	841	1	727
Total other assets	**22,905**	**8,180**	**18,838**	**7,921**

* This pertains to India Myanmar Service started on 02.10.2014 on the directions of Ministry of Shipping. The service was completed on Nov 2016.

Note 9: Current Tax Assets (Net)

	31 March 2019	31 March 2018
Current Tax Assets	3,508	-
Current Tax Assets (Net)	**3,508**	**-**

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

Note 10: Inventories

	31 March 2019	31 March 2018
Fuel Oil	15,979	11,653
Total inventories	**15,979**	**11,653**

Note 11: Assets classified as held for sale

Particulars	31 March 2019	31 March 2018
Fleet and Container held for Sale	95	21
Less: Impairment loss allowance	(95)	-
	-	21
Investment held for Sale		
1,00,000 (Prev.yr.1,00,000) shares of ₹ 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.	10	10
Less: Impairment loss allowance	(3)	(3)
	7	7
Irano Hind Shipping Co. Ltd.	39	39
Less: Impairment loss allowance	(39)	(39)
	-	-
Advance to Irano Hind Shipping Co. Ltd.	23	23
Less: Provision for Doubtful advances	(23)	(23)
	-	-
Total assets held for sale	**7**	**28**

a) The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano Hind Shipping Company (IHSC) and splitting the assets/liabilities of IHSC between Joint Venture partners shall be undertaken. The Company holds 49% in IHSC, a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). Substantive efforts are made to eventually dissolve the JV which is depending on geo political environment and sanctions imposed by UN which is completely beyond SCI's control. SCI shall remain committed by the decision of cabinet and therefore is making all efforts for dissolution of JV. Further, Government of India vide letter dated 08th May 2018 has advised SCI to go ahead with the dissolution of IHSC.
Under Ind AS, investment in Irano Hind has been written off during FY 16-17 to reflect its fair value.

b) The Company entered into a joint venture agreement with Steel Authority of India Ltd. with participation interest in the ratio of 50:50 and promoted a jointly controlled entity SAIL SCI Shipping Pvt. Ltd. (SSSPL). The said company was incorporated on 19.05.2010 with an authorised share capital of ₹ 1000 lakhs. The Company has subscribed equity capital of 100000 shares of ₹ 10 each amounting to ₹ 10 lakhs. It has been decided by the joint venture partners to wind up this company. Under Ind AS, investment in SSSPL has been written down during FY 15-16 to reflect its fair value.

Non-recurring fair value measurements

Investments classified as held for sale during the reporting period is measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of ₹ 42 (Previous year ₹ 3) as impairment loss in the statement of profit and loss in FY 2016-17 . The fair value of the investments were determined using the book value approach. This is a level 3 measurement as per the fair value hierarchy as set out in fair value measurement disclosures (refer note no. 37).

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 12: Equity Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
1,00,00,00,000 [31 March 2018: 1,00,00,00,000] Equity Shares of ₹ 10 each	100,000	100,000
Issued, subscribed and fully paid up		
46,57,99,010 [31 March 2018: 46,57,99,010] Equity Shares of ₹ 10 each	46,580	46,580
	46,580	**46,580**

a) **Reconciliation of number of shares**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	465,799,010	4,657,990,100	465,799,010	4,657,990,100
Add: Bonus shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance as at the end of the year	**465,799,010**	**4,657,990,100**	**465,799,010**	**4,657,990,100**

b) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of share holding	Number of shares	% of share holding
Equity shares				
1. President of India	296,942,977	63.75	296,942,977	63.75
2. Life Insurance Corporation of India	55,473,797	11.91	63,518,884	13.64
	352,416,774	**75.66**	**360,461,861**	**77.39**

c) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back.

d) **Rights/Preference/Restriction attached to Equity Shares**
The Company has only one class of Equity shares having par value of ₹ 10. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential allotment in proportion to their shareholding. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

e) The Company does not have holding company.

f) There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.

Note 13: Other Equity

Surplus

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Capital reserve	15,205	15,205
(ii) Securities premium reserve	52,177	52,177
(iii) General reserve	553,527	553,527
(iv) Tonnage Tax Reserve	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
(v) Tonnage Tax Reserve Utilised	-	-
(vi) Retained Earnings	30,632	42,267
Total reserves and surplus	**651,541**	**663,176**

(i) Capital reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	15,205	14,298
Add: Transfer from Retained Earnings	-	907
Less: Transferred to general reserve	-	-
Closing Balance	**15,205**	**15,205**

(ii) Securities premium

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	52,177	52,177
Add: Premium on shares held in trust for employees under ESOS Scheme	-	-
Add: Liability pertaining to share issue expenses no longer required written back	-	-
Closing Balance	**52,177**	**52,177**

(iii) General reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	553,527	552,777
Add: Transfer from Surplus in the Statement of Profit or Loss	-	750
Closing Balance	**553,527**	**553,527**

(iv) Tonnage Tax Reserve

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	-	750
Less: Transfer to General Reserve	-	750
Closing Balance	**-**	**-**

(v) Tonnage Tax Reserve (Utilised)

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	-	-
Add: Transfer to Tonnage Tax Reserve	-	750
Less: Transfer to General Reserve	-	750
Closing Balance	**-**	**-**

(vi) Retained Earnings

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	42,267	16,695
Add: Profit/(Loss) for the year	(12,199)	25,376

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	564	1,103
Adjustments:		
Less: Capital Reserve	-	907
Closing Balance	**30,632**	**42,267**

Retained earnings include accumulated OCI of ₹ 1024.28 lakhs (Previous year ₹ 460.15 lakhs)

Nature and Purpose of other reserves

Capital Reserve: The amount of sales proceeds in excess of original cost of ships sold by the Company. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

General Reserve: General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Tonnage Tax Reserve/Tonnage Tax Reserve (Utilised): 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

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Note 14: Financial liabilities

Note 14(a): Long-term borrowings

Particulars		As at 31 March 2019		As at 31 March 2018	
		Non Current	Current*	Non Current	Current*
Secured					
Term Loans:					
Rupee loans from banks	A	-	-	-	-
Foreign currency loans from banks	B	200,788	95,580	278,622	100,439
Total	C	**200,788**	**95,580**	**278,622**	**100,439**
Unsecured					
Term Loans:					
Rupee loans from banks	A	-	-	-	-
Foreign currency loans from banks	B	51,878	20,751	52,035	-
Total	C	**51,878**	**20,751**	**52,035**	**-**
Long-term borrowings		252,666	116,331	330,657	100,439

Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	98,793	35,458	17,916	48,621

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Unsecured Loans	-	5,558	7,411	38,909

* Represents current maturities of Long term borrowings included in "Financial Other Current Liabilities"
The carrying amounts of financial and non-financial assets pledged as security are disclosed in note no. 35.

Note 14(b): Other financial liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non-Current
Financial Liablilities at amortised cost				
Security Deposits	773	41	627	94
Current maturities of long-term debt	116,331	-	100,439	-
Interest accrued but not due on borrowings	3,939	-	3,236	-
Unpaid Dividend	-	-	20	-
Others				
Other Deposits payable	357	-	1,898	-
Employee related Liabilities	4,994	-	7,629	-
Others	1,748	-	1,821	-
Total other financial liabilities	**128,142**	**41**	**115,670**	**94**

Note 14(c): Current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
from Banks repayable on demand		
Rupee loans from banks	-	-
Foreign currency loans from banks	158,748	127,441
Total Current borrowings	**158,748**	**127,441**

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

Particulars	Liabilities from Financing Activities		
	Long Term borrowings	Short Term borrowings	Total
Net debt as at 1st April 2018	434,332	127,441	561,773
Cash flows	(92,939)	29,898	(63,041)
Foreign Exchange adjustments	30,841	1,409	32,250
Interest expense	19,416	5,170	24,586
Interest Paid	(18,713)	(5,170)	(23,883)
Net debt as at 31st March 2019	**372,936**	**158,748**	**531,685**

Note 14(d): Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises; and	545	2,579
(b) total outstanding dues of creditors other than micro enterprises and small enterprises*	127,075	95,787
Total trade payables	**127,620**	**98,366**

* Significant Payable from related parties (refer note no. 30)

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Disclosure requirement under MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
(a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year;	545	2,579
(ii) the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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 15: Provisions

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non-Current	Current	Non-Current
Employee Benefit Obligations				
Provision for leave encashment	360	5,483	453	4,828
Post Retirement Medical Scheme	-	4,290	-	4,176
	360	**9,773**	**453**	**9,004**
Other Provisions				
Insurance & cargo claims*	531	-	479	-
	531	**-**	**479**	**-**
Total	**891**	**9,773**	**932**	**9,004**

Short term provision	As at 31st March 2018	Provided during the year	Utilised during the year	Amount reversed	As at 31st March 2019
Other Provisions					
Insurance & cargo claims*	479	580	528	-	531
	479	**580**	**528**	**-**	**531**

* Represents provision of amount payable/borne by the Company against Insurance & cargo claims

Note 16: Deferred Tax Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax -upward valuation of PPE	9,073	10,395
Deferred tax -upward valuation of Financial Asset	80	-
Deferred Tax Liabilities(Net)	**9,153**	**10,395**

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

Note 17: Other current liabilities

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non Current	Current	Non-Current
Deferred Trade Receivable (Contract Liability) (Refer note no. 33 for details)	688	-	1,894	-
Advances and Deposits	5,467	-	10,773	-
Others				
Employee Related Liabilities	-	-	-	-
Statutory dues	947	-	635	-
Others Current Liabilities	42	-	25	-
Subsidy for Bangladesh-Myanmar & Srilanka*	2,024	-	1,932	-
Total other current liabilities	**9,168**	**-**	**15,259**	**-**

*This pertains to grant received of ₹1900 lakhs on 22nd Nov 2017 towards new service from India to Bangladesh-Myanmar and Sri Lanka-Maldives. SCI is awaiting directions from Ministry to start the service.
Informatively, Interest income on the grant of ₹ 92.11 Lakhs is also included for the period 1st April 18 to 31st March 2019 and Interest income on the grant of ₹ 31.61 Lakhs is also included for the period 22nd Nov 2017 to 31st March 2018. (Further refer note no. 43)

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

Particulars	31 March 2019	31 March 2018
Other current liabilities	20,504	19,280
Total Liabilities of disposal held for sale	**20,504**	**19,280**

Note 19: Revenue from operations

Particulars	31 March 2019	31 March 2018
Freight	286,639	239,901
Charter Hire	69,211	65,355
Demurrage	14,508	13,759
Contract Revenue:		
Core shipping activities	376	266
Incidental activities	6,441	5,699
Reimbursement of expenses	10,298	12,091
Total	**387,473**	**337,071**

Note 20: Other Operating Revenue

Particulars	31 March 2019	31 March 2018
Training & Consultancy fee	1,975	2,702
Sundry Receipts (Core)	1	367
Sundry Receipts (Incidental)	43	71
Excess Provisions & Unclaimed Credit Written Back	1,400	4,500
Recovery of Insurance & PI Claims	1,694	2,236
Total	**5,113**	**9,876**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 21: Other Income

Particulars	31 March 2019	31 March 2018
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	6,339	5,433
b) Loans to Employees	165	171
c) Loans to Joint Venture (Refer Note no.30)	1,662	1,674
d) Others	879	1,352
Dividend From Mutual Fund	287	205
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	11,392	5,112
b) Sale of Other Fixed Assets	3	38
Profit on sale of bunker	457	181
Gain or Loss on Fair valuation of investment	232	19
Provision written back	378	546
Other Miscellaneous Income	29	69
Total	**21,823**	**14,800**

Note 22: Cost of services rendered

Particulars	31 March 2019	31 March 2018
Direct Operating Expenses :		
Agency Fees	1,281	1,717
Brokerage	2,286	2,483
Commission	379	827
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses on Joint Sector Container Services (Net)	16,906	18,036
Marine, Light And Canal Dues	42,543	43,557
Fuel Oil (Net)	110,212	85,712
Water Charges	440	625
Manning expenses	1,028	2,822
Honorarium and Training expenses	603	596
Hire of Chartered Steamers	39,499	23,955
Other Indirect Operating Expenses		
Transfer and Repatriation and Other Benefits	170	158
Stores & Spares *	18,714	16,184
Sundry Steamer Expenses	3,526	2,233
Repairs and Maintenance and Survey Expenses	13,678	15,449
Insurance and Protection , Indemnity Club Fees & Insurance Franchise	5,932	6,365
Provision for Off Hire Etc.	-	1,662
Total	**257,197**	**222,381**

*Includes amount of ₹ 803 lakhs (Previous Year ₹ 1106 lakhs) towards Served from India Scheme (SFIS).Under SFIS, Scrips received are utilised against the custom duty liability & SFIS scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 23: Employee benefit expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A) Floating staff		
Wages, Bonus and Other Expenses on Floating Staff	25,589	26,583
Gratuity	557	247
Contribution to Provident Fund	301	339
B) Shore Staff		
Salaries, Wages, Bonus etc.*	16,419	16,017
Gratuity	45	3,078
Contribution to Provident & Other Funds	1,067	1,035
Contribution to Pension	1,026	1,032
C) Staff welfare expenses	-	21
D) Remuneration to Directors	240	240
Total	**45,244**	**48,592**

* Includes amount of ₹ 94.07 lakhs (Previous Year ₹ 109.80 lakhs) amortisation of deferred employee cost as employee loans are measured at amortised cost.

Note 24: Finance costs

Particulars	31 March 2019	31 March 2018
Interest on:		
- Rupee term loans	20	658
- Foreign currency loans	23,323	15,910
Other borrowing costs*	1,243	1,411
Total	**24,586**	**17,979**

* Includes amount of ₹ 1087.18 lakhs (Previous Year ₹ 1259.19 lakhs) amortisation of upfront fee for borrowings taken over the tenure of the borrowing by applying the effective interest rate method.

Note 25: Depreciation and amortisation expense

Particulars	31 March 2019	31 March 2018
Depreciation on Property, plant and equipment	65,760	61,014
Amortisation of Intangible Assets	86	11
Total	**65,846**	**61,025**

Note 26:Other expenses

Particulars	31 March 2019	31 March 2018
Power & Fuel	379	439
Rent	267	269
Repairs and Maintenance		
- Building	543	639
- Others	1,433	1,293
Insurance, Rates and Taxes	87	199
Auditors' Remuneration (Detail in Note no. 26(a))	68	65
Establishment Charges	1,843	1,940
Advertisement & Publicity	90	97
Legal & professional	385	1,012

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

Particulars	31 March 2019	31 March 2018
Postage,Telephone Telegram & Telex*	126	(71)
Printing & stationery	113	130
Training, Seminar & Conference Fee	12	27
Travel & Conveyance	474	270
Directors' Sitting Fees	21	13
Directors' Travel Expenses	32	29
Debts / Advances written off	986	525
Interest and Penalties	4	3
Bank Charges	263	32
Service tax ineligible for CENVAT	-	389
GST ineligible ITC	61	-
CSR Expenditure (Detail in Note no. 26(b))	582	311
Net loss on Foreign Currency Transaction / Translation	17,722	187
Loss of Asset (Detail in Note no. 40)	-	486
Provisions		
Provision for Doubtful Debts and Advances	3,195	511
Foreign Taxation	49	27
Write off of Fixed Assets	191	-
Provision of Asset held for sale	95	-
Total	**29,021**	**8,822**

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

Note 26(a):

Details of payments to auditors	31 March 2019	31 March 2018
Payment to auditors		
Statutory auditors		
a) Audit fees	32	32
b) Certification Work	32	29
c) Travelling & Out of Pocket Expenses	4	4
Total	**68**	**65**

Note 26(b): Corporate Social Responsibility expenditure

31 March 2019	
Particulars	**Total**
Gross amount required to be spent by the Company during the year	420
Amount spent and paid during the year on	
(a) Construction/acquisition of any asset	12
(b) Purpose other than (a) above	190
Total	**202**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

31 March 2018	
Particulars	**Total**
Gross amount required to be spent by the Company during the year	585
Amount spent and paid during the year on	
(a) Construction/acquisition of any asset	242
(b) On purpose other than (a) above	291
Total	**533**

Note 27: Earnings per share

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company (A)	(12,199)	25,375
Basic and Diluted earnings per share attributable to the equity holders of the company (in ₹) (A/B)	(2.62)	5.45

Particulars	31 March 2019 No. of shares	31 March 2018 No. of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (B)	465,799,010	465,799,010

Note 28: Contingent Liabilities and Commitments

(a) Contingent Liabilities

	Particulars	As at 31st March, 2019	As at 31st March, 2018
I.	**Claims against the company not acknowledged as debts**		
	a) State Governments/ Local Authorities	1,835	1,471
	b) CPSEs	1,402	1,348
	c) Central Government Departments		
	a) Income Tax & Sales Tax	25,080	25,522
	b) Service Tax	162,964	163,072
	c) Others	-	-
	d) Others	21,238	21,437
II.	**Guarantees given by the Banks**		
	On behalf of the company	3,047	2,333
	On behalf of Joint Venture to the extent of the company's share	4,954	4,659
III.	**Undertaking cum Indemnity given by Company**	6,516	nil
IV.	**Bonds/Undertakings given by the Company to Customs Authorities**	34,838	40,329

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars		As at 31st March, 2019	As at 31st March, 2018
V.	**Corporate Guarantees/Undertakings**		
	a) In respect of Joint ventures	nil	nil
	b) Others	4,432	4,288

(b) Contingent Assets

Particulars		As at 31st March, 2019	As at 31st March, 2018
I.	Claims by the Company not acknowledged as asset		
	a) State Governments/ Local Authorities	nil	nil
	b) CPSEs	nil	nil
	c) Central Government Departments	150	150
	d) Others	545	545

(c) Commitments

Particulars		As at 31st March, 2019	As at 31st March, 2018
I.	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	3,837	1,656
II.	Uncalled liability on shares and other investments partly paid	nil	nil
III.	Other Commitments in the form of equity share with JVS	nil	nil

Note: Status of contingent Liabilty with reference to the opening balance as on 01-04-2018
There is a reduction of ₹ 550 lakhs from opening balance in cases of Central Government Departments
There is nil reduction from opening balance in cases of CPSE
There is nil reduction from opening balance in cases of Local Authority
There is a reduction of ₹ 716 lakhs from opening balance in cases of others

The contingent Liability includes cases decided in favour of SCI amounting to ₹ 14800 lakhs. Thereafter, department have gone in appeal.

Note 29: Income taxes

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(a) Deferred Tax

Particulars	31 March 2019	31 March 2018
Deferred tax relates to the following:		
Upward fair valuation of PPE	9,073	10,395
Deferred tax -upward valuation of Financial Asset	80	-
Net Deferred Tax Liabilities	**9,153**	**10,395**

Reason for decrease in Deferred Tax Liability(DTL)

As per the requirement of section 55(2)(b)(i) of Income Tax Act,1961 "where the capital asset became the property of the assessee before the [1st day of April, [2001]], means the cost of acquisition of the asset to the assessee or the fair market value of the asset on the [1st day of April, [2001]], at the option of the assessee".

Accordingly, SCI has opted to choose the fair market value of the asset as on 01.04.2001 as its cost of acquisition which has resulted into decrease in capital gain tax liability.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(b) Movement in deferred tax liabilities

Particulars	31 March 2019	31 March 2018
Opening balance as of April 1	**10,395**	**38,822**
Tax income/(expense) during the period recognised in profit or loss	(1,242)	(28,427)
Closing balance as at March 31	**9,153**	**10,395**

(c) Income tax recognised in profit or loss

Particulars	31 March 2019	31 March 2018
Income tax expense		
Current tax		
Current tax on profits for the year	7,090	6,000
Deferred tax	(1,242)	(28,427)
MAT Credit Entitlement	(1,134)	-
Income tax expense	**4,714**	**(22,427)**

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

Particulars	31 March 2019	31 March 2018
Profit before income tax expense	(7,485)	2,948
Less: Income subject to tonnage taxation	(33,239)	(15,481)
Profit before tax, adjusted	**25,754**	**18,429**
Tax computed using applicable statutory tax rate	5,550	6,378
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Impact of tonnage tax scheme	-	1,053
Difference in tax gains and book gains (Capital gains)	-	(1,769)
Difference on account of Ind AS adoption	1,595	-
Exempt income - Dividend from mutual funds	(62)	(71)
MAT credit utilised for the year	(1,134)	-
Reversal of Deferred Tax Liability	(1,242)	(28,427)
Others	7	409
Income tax expense	**4,714**	**(22,427)**

Basis of applicable tax rate :

Normal Tax rate	18.50%	30%
Surcharge	12%	12%
Health and Education Cess	4%	3%
Applicable Tax rate	**21.55%**	**34.61%**

(e) Current tax liabilities

Particulars	31 March 2019	31 March 2018
Opening balance	-	-
Add: Current tax payable for the year	7,090	6,000
Less: Taxes paid	(7,090)	(6,000)
Closing balance	**-**	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 30: Related party transactions

(a) Control

Government of India enterprises controlled by Central Government

(b) Subsidiaries

Inland & Coastal Shipping Ltd. is the 100 percent Subsidiary formed during 2016-17

(c) Joint Venture Companies

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

(d) Key Management Personnel

Executive Director

1. Shri A.K.Sharma
2. Smt H.K. Joshi
3. Shri S.V. Kher
4. Smt. Sangeeta Sharma
5. Shri Rajesh Sood
6. Shri Surinder Pal Singh Jaggi (w.e.f. 24.04.2018)
7. Shri Dipankar Haldar

Non Executive Director

1. Shri Arun Balakrishnan (ceases to be on the Board of SCI w.e.f. 20.03.2019)
2. Smt Archana Ramasundaram (joined SCI Board on 17.12.2018 and ceased to be on the Board of SCI w.e.f. 20.03.2019)
3. Shri Satinder Pal Singh
4. Shri Shambhu Singh (w.e.f. 03.05.2018)
5. Shri Gautam Sinha
6. Shri P. Kanagasabapathi
7. Shri Raj Kishore Tewari
8. Shri Sukamal Chandra Basu (ceases to be on the Board of SCI w.e.f. 20.03.2019)
9. Shri Mavji Bhikhabhai Sorathia (w.e.f. 17.12.2018)
10. Shri Vijay Tulsiramji Jadhao (w.e.f. 03.07.2018)

Key Management Personnel compensation

Name	Short-term employee benefits		Post-employment benefits		Long-term employee benefits		Employee share-based payment	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
1. Shri A.K.Sharma	36	36	4	4	-	-	-	-
2. Smt H.K. Joshi	37	48	8	7	-	-	-	-
3. Shri S.V. Kher	40	49	7	7	-	-	-	-
4. Smt. Sangeeta Sharma	32	8	7	2	-	-	-	-
5. Shri Rajesh Sood	31	8	6	2	-	-	-	-
6. Shri Surinder Pal Singh Jaggi (w.e.f. 24.04.2018)	31	-	6	-	-	-	-	-
7. Shri Dipankar Haldar	39	37	7	6	-	-	-	-
8. Shri B.B. Sinha (opted for VRS w.e.f. 12.08.2017)	-	39	-	2	-	-	-	-
9. Shri S.Narula (superannuated on 31.07.2017)	-	30	-	2	-	-	-	-
Total	**246**	**255**	**45**	**32**	-	-	-	-

Note :- As the liabilities for gratuity and leave encashment are provided on actuarial basis for the company as a whole, the amounts pertaining to Key Management Personnel compensation are not included in the above table.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with JVS and Outstanding Balances

Nature of Transactions		31 March 2019	31 March 2018
1)	Interest Income	1,352	1,674
2)	Interest receivable	301	100
3)	Expenses Reimbursed	33	37
4)	Management & Accounting fees earned	1,839	1,670
5)	Guarantee fees received	41	54
6)	Investment made during the year	-	-
7)	Loans realised during the year	2,811	3,196
8)	Guarantees Given for JVS	4,954	6,762
9)	Interest amount compounded in to principal	33	25
	Outstanding Balances		
1)	Investments	7,408	7,408
2)	Loan Balances	22,034	23,302
3)	Other Receivable	23	23
4)	Payable on account of Ship	20,504	19,280

(f) Transactions with Subsidiary

Nature of Transactions	31 March 2019	31 March 2018
Investment made during the year	-	-
Investment at the year end	5.00	5.00
Expenses incurred on behalf	0.19	0.23
Receivable as at year end	9.75	9.56

(g) Transactions with Government related entities

Significant Transactions

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

Name of Government related entity	Relation	Nature of transaction	31 March 2019	31 March 2018
Indian Oil Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	32,692	45,001
Hindustan Petroleum Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	66,098	52,067
Bharat Petroleum Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	45,557	19,406
Oil And Natural Gas Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	12,938	12,340
Mangalore Refinery and Petrochemicals Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	19,213	25,756
Chennai Petroleum Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	12,340	12,418
Steel Authority Of India Ltd	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	17,528	7,754
Poompuhar Shipping Corporation Limited	State PSU	Revenue from Freight/Charter Hire/Demurrage etc.	5,455	7,998
Indian Oil Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	21,922	12,239
Hindustan Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	9,141	11,710
Cochin Shipyard	Central PSU	Repair/Drydock of vessel	10,447	6,916
Bharat Petroleum Corporation Ltd.	Central PSU	Trade Receivable	5,364	2,643
Chennai Petroleum Corporation Ltd.	Central PSU	Trade Receivable	865	1,133

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Name of Government related entity	Relation	Nature of transaction	31 March 2019	31 March 2018
Geological Survey Of India	Ministry of Mines	Trade Receivable	4,880	305
Hindustan Petroleum Coporation Ltd.	Central PSU	Trade Receivable	4,851	6,317
Indian Oil Corporation Ltd.	Central PSU	Trade Receivable	3,664	7,455
Mangalore Refinery and Petrochemicals Ltd.	Central PSU	Trade Receivable	1,348	1,246
National Institute Of Ocean Technology	Ministry of Earth Sciences	Trade Receivable	3,678	223
Oil And Natural Gas Corporation Ltd.	Central PSU	Trade Receivable	3,501	5,752
Poompuhar Shipping Corporation Ltd.	State PSU	Trade Receivable	2,035	7,165
Steel Authority Of India Ltd.	Central PSU	Trade Receivable	3,141	970
Cochin Port Trust	Trust under MPT Act	Trade Payable	6,871	4,609
Cochin Shipyard Limited	Central PSU	Trade Payable	11,551	2,541
Gujarat Pipavav Port Ltd.	Trust under MPT Act	Trade Payable	3,371	2,324
New Mangalore Port Trust	Trust under MPT Act	Trade Payable	2,934	2,241
Nhavasheva International Container	Trust under MPT Act	Trade Payable	3,164	1,944
Vizag Port Trust	Trust under MPT Act	Trade Payable	6,757	5,917
Indian Oil Corporation Limited	Central PSU	Trade Payable	859	675

Other than Significant Transactions

Particulars	31 March 2019	31 March 2018
Revenue	38,507	37,935
Purchases/services	38,010	33,143
Trade Receivable	8,750	605
Trade Payable	11,075	12,129

Transactions with other government-related entities

Apart from the transactions disclosed in (g) above, the Company also conducts business with other government related entities. The Company has bank deposits, borrowings and other general banking relations with PSU banks. Other than the substantial amount of bank balances, bank borrowings and the facilities with these banks, transactions with other government related entities are individually insignificant.

(h) Other transactions with related parties

The following transactions occurred with related parties:

Particulars	31 March 2019	31 March 2018
Sitting Fees	21	13

(i) Trust

Transactions with Post Retirement Plans managed through separate trusts wherein SCI having control:

Name of related party	Nature of transaction	31 March 2019	31 March 2018
Shipping Corporation of India Employees Gratuity Fund	-	-	-
Post Retirement Medical Scheme for the Shore employees of The Shipping Corporation of India Limited	-	-	-
Provident Fund for the employees of The Shipping Corporation of India Limited	Employer's Contribution	1,215	1,204
SCI Employee Superannuation Trust	Employer's Contribution	1,062	973
Provident Fund for The Crew Non CDC holders of The Shipping Corporation of India Limited	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 31: Employee Benefit Obligations

(A) Description of type of employee benefits

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

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

b) The Company offers to its employees defined contribution plan in the form of provident fund, post retirement medical scheme (New w.e.f. 01.01.2007) and pension contribution

The details of the plan are as follows:-

i.	Provident Fund	It is a contribution made on monthly basis @ 12% of monthly Basic and DA to the PF Trust who credits annual interest on PF balances. The corpus accumulated is paid on retirement of the employee.
ii.	Post Retirement Medical Scheme (New w.e.f. 01.01.2007)	It is a contribution @ 4% of monthly Basic and DA towards provision of employees' medical expenses incurred after retirement.
iii.	Pension contribution	It is a contribution @ 12% of monthly Basic and DA towards provision of annuity after retirement of employees.

(B) Gratuity

Balance sheet amount (Gratuity Plan)

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	-	-
Total amount recognised in other comprehensive income [(i) + (iv)]	**(420)**	**668**	**(1,088)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2018 [(ii) + (iii)+ (iv)]			**(3,243)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2018	12,228	15,471	(3,243)
Current service cost	706	-	706
Interest expense/(income)	910	1,138	(228)
Total amount recognised in profit and loss	**1,616**	**1,138**	**479**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	304	(304)
(Gain)/loss from change in demographic assumptions	(9)	-	(9)
(Gain)/loss from change in financial assumptions	289	-	289
Experience (gains)/losses	(477)	-	(477)
(i) Amount recognised in other comprehensive income	(197)	304	(501)
Employer contributions			
Benefit payments	(1,202)	(1,202)	-
Unrecognised Asset due to Limit in Para 64(b)			
(ii) 31 March 2019	**12,446**	**15,711**	**(3,265)**
(iii)Unrecognised Asset at the beginning of the period	-	-	-
(iv) Asset recognised during the year (Asset Ceiling)	-	-	-
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	-	-
Total amount recognised in other comprehensive income [(i) + (iv)]	**(197)**	**304**	**(501)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2019 [(ii) + (iii)+ (iv)]	**-**	**-**	**(3,265)**

For gratuity, the benefits are paid by the trust and are not debited to the profit & loss of the Company.

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

Particulars	31-Mar-19	31-Mar-18
Present value of funded obligations	12,446	12,228
Fair value of plan assets	15,711	15,471
Deficit of funded plan	**(3,265)**	**(3,243)**
Unrecognised Asset due to Limit in Para 64(b)		
Deficit of gratuity plan	(3,265)	(3,243)

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	**31-Mar-19**	**31-Mar-18**
Discount Rate	7.67%	7.87%
Salary Escalation Rate	7.50%	7.50%
Expected Return on Assets	7.67%	7.87%
Demographic Assumptions	**31-Mar-19**	**31-Mar-18**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	PS 0 - 42 years:-0.5%	PS 0 - 42 years:-0.5%
Retirement Age	58/60 years	58/60 years
Timing Related Assumptions		
Time of Retirement	Immediately on achieving normal retirement	
Salary Increase frequency	Once a year	

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31-Mar-19		**31-Mar-18**	
Defined Benefit Obligation (Base)	10749		12228	
Sensitivity Analysis	**31-Mar-19**		**31-Mar-18**	
Table 14 : Sensitivity Analysis	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	633	695	684	614
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	500	550	491	549

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	**31-Mar-18 to 31-Mar-19**	**31-Mar-17 to 31-Mar-18**
Unrecognised Asset, Beginning of Period	-	1042
Asset recognised during the year	-	1042
Unrecognised Asset, End of Period	-	-

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Major category of plan assets are as follows

Particulars	**31-Mar-19**				**31-Mar-18**			
	Quoted	**Unquoted**	**Total**	**in %**	**Quoted**	**Unquoted**	**Total**	**in %**
Government of India Securities	6,984	-	6,984	44%	5,016	-	5,016	32%
Debt instruments								
Investment in Bonds	1,893	-	1,893	12%	1,893	-	1,893	12%
Other Assets including accrued interest	670	330	1,000	6%	491	249	740	5%
Investment in Deposits including Bank Balance	-	5834	5,834	37%	-	7822	7,822	51%
Total	**9,547**	**6,164**	**15,711**	**100%**	**7,400**	**8,071**	**15,471**	**100%**

None of the financial assets of SCI have been considered in the fair value of plan assets.

The expected rate of return on plan assets has been estimated on the basis of actual returns of the trust in the past years. The securities of trust have an effect on the fair value of plan assets as the value of the securities vary with the changes in the market interest rates.

Actual Return on plan assets ₹ 1441 lakh (Prev. period ₹ 749 lakhs)

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. The Company intends to maintain the above investment mix in the continuing years.

(All amounts in INR lakhs, unless otherwise stated)

Changes in bond yields:

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Life expectancy:

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Contribution expected to be paid in the next year is Nil.

The weighted average duration of the defined benefit obligation is 12.01 years (2018 – 17.15 years).

(C) Leave Encashment (Unfunded)

Balance sheet amount (Leave Encashment)

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

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

Particulars	Present value of obligation
01 April 2018	5,281
Current service cost	407
Interest expense/(income)	414
Actuarial (Gain)/loss from change in financial assumptions	138
Actuarial (Gain)/loss from change in demographic assumptions	(4)
Actuarial - Experience (gains)/losses	448
Total amount recognised in profit and loss	**1,403**
Benefit payments	(841)
31 March 2019	**5,843**

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

Particulars	31-Mar-19	31-Mar-18
Present value of unfunded obligations	5,843	5,281
Deficit of leave encashment plan	5,843	5,281

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	**31-Mar-19**	**31-Mar-18**
Discount Rate	7.67%	7.87%
Salary Escalation Rate	7.50%	7.50%
Demographic Assumptions	**31-Mar-19**	**31-Mar-18**
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	PS 0 - 42 years:- 0.5%	PS 0 - 42 years:- 0.5%
Retirement Age	58/60 years	58/60 years

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Timing Related Assumptions	
Time of Retirement	Immediately on achieving normal retirement
Salary Increase frequency	Once a year

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	31-Mar-19		31-Mar-18	
Defined Benefit Obligation (Base)	5,843		5,281	
(M) Sensitivity Analysis	**31-Mar-19**		**31-Mar-18**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	344	309	311	276
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	249	238	215	223

The weighted average duration of the defined benefit obligation is 12.01 years (2018 – 17.15 years).

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(D) Post Retirement Medical Benefit Scheme

Balance sheet amount (Post Retirement Medical Benefit Scheme)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31 March 2017	2,315	1,335	980
Past service cost	306	-	306
Interest expense/(income)	170	90	80
Total amount recognised in profit and loss	476	90	386
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(44)	-	(44)
Experience (gains)/losses	(81)	(110)	29
Total amount recognised in other comprehensive income	(125)	(110)	(15)
Employer contributions	-	-	-
Benefit payments	(224)	(224)	-
31 March 2018	**2,442**	**1,091**	**1,351**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2018	2,442	1,091	1,351
Past service cost	(279)		(279)
Interest expense/(income)	181	77	104
Total amount recognised in profit and loss	(98)	77	(175)
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
(Gain)/loss from change in financial assumptions	12	-	12
Experience (gains)/losses	(75)	1	(76)
Total amount recognised in other comprehensive income	(63)	1	(64)
Employer contributions	-	-	-
Benefit payments	(198)	(198)	-
31 March 2019	**2,083**	**971**	**1,112**

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

Particulars	31-Mar-19	31-Mar-18
Present value of funded obligations	2,083	2,442
Fair value of plan assets	971	1,091
Deficit of funded plan	**1,112**	**1,351**
Deficit of Post Retirement Medical Benefit Scheme plan	**1,112**	**1,351**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Financial Assumptions	31-Mar-19	31-Mar-18
Discount Rate	7.67%	7.79%
Expected Return on Assets	7.67%	7.79%
Demographic Assumptions	**31-Mar-19**	**31-Mar-18**
Mortality Table	LIC (1996-98) Ult (Annuitant)	LIC (1996-98) Ult (Annuitant)
Timing Related Assumptions		
Time of Retirement	Immediately on achieving normal retirement	

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Sensitivity Analysis	31-Mar-19		31-Mar-18	
Defined Benefit Obligation (Base)	2,083		2,442	
Table 12 : Sensitivity Analysis	**31-Mar-19**		**31-Mar-18**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	44	39	51	46

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Major category of plan assets are as follows

Particulars	31-Mar-19				31-Mar-18			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	-	970	970	100%	-	1085	1085	99%
Other Assets including accrued interest	-	1	1	0%	-	6	6	1%
Total	**-**	**971**	**971**	**100%**	**-**	**1,091**	**1,091**	**100%**

None of the financial assets of SCI have been considered in the fair value of plan assets.

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

The expected rate of return on plan assets has been estimated on the basis of actual returns of the trust in the past years. The securities of trust have an effect on the fair value of plan assets as the value of the securities vary with the changes in the market interest rates.

Defined benefit liability and employer contributions :

Contribution expected to be paid in the next year is Nil.

The weighted average duration of the defined benefit obligation is 10.21 years (2018 – 10.21 years).

Note 32: Segment information

(a) Business Segments

The Company is managed by the Board which is the chief decision maker. The Board has determined the operating segments based on the pattern of vessels deployed by the Company, for the purposes of allocating resources and assessing performance.

(I) **Liner**
Liner segment includes break-bulk, container transport, passenger vessels & research vessels managed on behalf of other organisations.

(II) **Bulk**
Bulk Carriers include dry bulk carriers.

(III) **Tanker**
Tankers segment includes both crude and product carriers, gas carriers, phosphoric acid carriers.

(IV) **T&OS**
Technical & Offshore services segment includes company owned offshore vessels, offshore vessels managed on behalf of other organisations and income from technical consultancy.

(V) **Others**
Others segment include income earned from Maritime Training Institute.

(VI) **Unallocated**
Unallocable items and interest income/expenses are disclosed separately.

Expense and Revenue items are allocated vessel wise wherever possible. Expenses and revenue items that cannot be allocated vessel wise are allocated on the basis of age of the vessel i.e. (Current year - Built year) +1.

(b) Geographical Segments

Presently, the Company's operations are predominantly confined in India.

(c) Adjusted Earnings before Interest & Tax (EBIT)

Adjusted EBIT excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of gains or losses on financial instruments.

Interest income is not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

EBIT	31 March 2019	31 March 2018
Liner	(8,960)	7,966
Bulk	3,277	(631)
Tanker	18,225	(5,108)
T&OS	(1,270)	2,694
Others	(171)	1,478
Unallocated	(3,045)	5,898
Total adjusted EBIT	**8,056**	**12,297**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Adjusted EBIT reconciles to profit before income tax as follows:

Particulars	31 March 2019	31 March 2018
Total adjusted EBIT	8,056	12,297
Finance costs :		
Liner	125	231
Bulk	4,788	4,417
Tanker	6,859	6,178
T&OS	2,182	2,239
Others	-	-
Unallocated	10,632	4,914
Total Finance costs	24,586	17,979
Interest income from investments	9,045	8,630
Profit before income tax from continuing operations	**(7,485)**	**2,948**

Depreciation included in adjusted EBIT

Particulars	31 March 2018	31 March 2017
Liner	1,889	1,830
Bulk	11,234	10,273
Tanker	44,619	41,770
T&OS	8,045	7,152
Others	59	-
Unallocated	-	-
Total Depreciation included in adjusted EBIT	**65,846**	**61,025**

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	31 March 2019			31 March 2018		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	63,263	-	63,263	67,621	-	67,621
Bulk	58,603	-	58,603	41,394	-	41,394
Tanker	246,195	-	246,195	213,135	-	213,135
T&OS	22,832	-	22,832	22,763	-	22,763
Others	1,693	-	1,693	2,034	-	2,034
Total Segment Revenue	**392,586**	**-**	**392,586**	**346,947**	**-**	**346,947**
Unallocated	12,777	-	12,777	6,169	-	6,169
Total segment revenue as per Profit and Loss	**405,363**	**-**	**405,363**	**353,116**	**-**	**353,116**

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2019 and 31st March 2018 were as follows:

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Reveneue from external customers	31 March 2019			31 March 2018		
	Tanker segment	Liner Segment	Total	Tanker segment	Liner Segment	Total
Bharat Petroleum Corporation Ltd.	45,557	-	45,557	19,377	29	19,406
Hindustan Petroleum Corporation Ltd.	66,098	-	66,098	52,058	9	52,067
Indian Oil Corporation Ltd.	31,902	790	32,692	43,888	1,113	45,001
Mangalore Refinery and Petrochemicals Ltd.	19,213	-	19,213	25,756	-	25,756

The Company is domiciled in India. The amount of its revenue from external customers (exceeding 4%) broken down by location of the customers is shown in the table below:

Revenue from external customers	31 March 2019	31 March 2018
India	324,634	273,756
Singapore	16,241	21,343
Other Countries	51,711	51,848
Total	**392,586**	**346,947**

(e) Segment assets

Segment	31 March 2019		31 March 2018	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	88,707	-	66,963	-
Bulk	180,927	-	179,920	-
Tanker	675,248	-	663,899	-
T&OS	147,960	-	155,810	-
Others	821	-	891	-
Total segment assets	**1,093,663**	**-**	**1,067,483**	**-**
Unallocated	321,164	-	369,371	-
Total assets as per the Balance Sheet	**1,414,827**	**-**	**1,436,854**	**-**

(f) Segment liabilities

Segment	31 March 2019	31 March 2018
Liner	107,395	122,280
Bulk	109,133	124,566
Tanker	211,428	235,054
T&OS	72,597	72,001
Others	485	680
Total segment liabilities	**501,038**	**554,581**
Unallocated:	215,668	172,517
Total liabilities as per the Balance Sheet	**716,706**	**727,098**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Revenue from Contract with customers

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

Particulars	31 March 2019	31 March 2018
Revenue from Contract with Customers	335,634	287,538
Revenue from Other Sources		
- Charter hire (lease)	69,211	65,356
- Other income	9,565	8,853
Total Revenue	**414,409**	**361,747**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segmentwise

Particulars	31 March 2019	31 March 2018
Liner	59,362	64,574
Bulk	35,232	16,575
Tanker	220,448	190,785
T&OS	6,640	7,625
Others	1,693	2,034
Unalloacated	12,259	5,945
Total Revenue	**335,634**	**287,538**

(B) Revenue from Contract with Customers – Geographical Location

Particulars	31 March 2019			
	India	Singapore	Others	Total
Liner	49,845	331	9,186	59,362
Bulk	35,264	(62)	30	35,232
Tanker	187,942	4,791	27,715	220,448
T&OS	6,636	1	3	6,640
Others	1,329	-	364	1,693
Unalloacated	(250)	-	12,509	12,259
Total Revenue	**280,766**	**5,061**	**49,807**	**335,634**

Particulars	31 March 2018			
	India	Singapore	Others	Total
Liner	48,934	504	15,136	64,574
Bulk	16,569	(12)	18	16,575
Tanker	152,637	13,354	24,794	190,785
T&OS	7,641	(16)	-	7,625
Others	2,031	-	3	2,034
Unalloacated	1,482	991	3,472	5,945
Total Revenue	**229,294**	**14,821**	**43,423**	**287,538**

(C) On the basis of Timing of Revenue Recognition

Particulars	31 March 2019		
	At Point in time	At Point over time	Total
Liner	820	58,542	59,362
Bulk	2,894	32,338	35,232
Tanker	15,035	205,413	220,448
T&OS	270	6,370	6,640
Others	33	1,660	1,693
Unalloacated	12,928	(669)	12,259
Total Revenue	**31,980**	**303,654**	**335,634**

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

Particulars	31 March 2018		
	At Point in time	At Point over time	Total
Liner	3,601	60,973	64,574
Bulk	1,224	15,351	16,575
Tanker	16,083	174,702	190,785
T&OS	926	6,699	7,625
Others	12	2,022	2,034
Unalloacated	6,408	(463)	5,945
Total Revenue	**28,254**	**259,284**	**287,538**

Contract Asset

Particulars	31 March 2019	31 March 2018
Opening Balance of Contract Asset	26,597	12,778
Opening Balance reclassified as Trade Receivable in current period	25,545	16,325
Current year Contract Asset - Carried Forward	32,267	30,143
Closing Balance of Contract Asset	**33,968**	**26,597**

Contract Liability

Particulars	31 March 2019	31 March 2018
Opening Balance of Contract Liability	1,894	4,843
Revenue Recognised from the opening balance of Contract Liability	1,894	4,843
Current year Contract liability - Carried Forward	688	1,894
Closing Balance of Contract Liability	**688**	**1,894**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 1.19 of Note No. 1.

Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the subsequent financial years.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Trade receivables as disclosed in note no 6(e) includes contract balances. Impairment losses as disclosed in Note 38 includes receivables arising from contracts with customers.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from shipping activities.Revenue from a voyage charter is recognised over time, which is determined on a percentage of voyage completion method. The Company has recognised revenue over a period of time basis following output method. Since, the Company can track the progress toward completion of the contract by measuring days to date relative to total estimated days needed to satisfy the performance obligation, the percentage of voyage completion method/straight-line basis over the period of the charter i.e. output method provide a faithful depiction of transfer of goods or services.

Note 34: OPERATING LEASE COMMITMENTS

(1) As a Lessee - Payments

At the balance sheet date, the Company has the following contractual committed future minimum lease payables under non-cancellable operating leases from time - charter contracts, land, building, cars, photocopier machine etc in the aggregate and each of the following periods:

Particulars	31 March 2019	31 March 2018
Not later than 1 year	6,095	8,773
Later than 1 year and not later than 5 years	8,861	14,835
Later than 5 Years	30	31

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

The above includes sub-lease payments from time-charter contract expected to be received under non-cancellable sub-leases at the end of 31st March 2019 of ₹ 12622 lakhs (at the end of 31st March 2018 of ₹ 16524 Lakhs).

The minimum lease and sub-lease payment recognised as an expense during the financial year 2018-19 are of ₹ 15357 lakhs (Including sub-lease expense of ₹ 3901 lakhs).

The lease has varying terms and renewal rights. The Company's operating lease for vessels have terms ranging from less than 1 year to 5 years.

Vessels on time charter hire are considered as operating lease.

(2) As a Lessor - Receipts

At the balance sheet date, the Company has the following contractual committed future minimum lease receivable under non-cancellable operating leases from time - charter contracts in the aggregate and each of the following periods:

Particulars	31 March 2019	31 March 2018
Not later than 1 year	23,806	33,035
Later than 1 year and not later than 5 years	17,488	33,440
Later than 5 Years	-	-

The Company's operating lease for vessels have terms ranging from less than 1 year to 5 years. Certain of the leases have varying terms and renewal rights.

Vessels on time charter hire are considered as operating lease.

Note 35: Assets pledged as security

Particulars	Notes	31 March 2019	31 March 2018
Current			
Financial Assets			
Other bank balances	**6(g)**	8,434	12,349
Non-current investments	**6(a)**	7,359	7,359
Total current assets pledged as security		**15,793**	**19,708**
Non-current			
Property, Plant and Equipment	**3**	682,099	782,540
Total non-current assets pledged as security		**682,099**	**782,540**
Total assets pledged as security		**697,892**	**802,248**

Note 36: Offsetting Financial Assets and Financial Liabilities

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2019 and March 31, 2018. The column 'net amount' shows the impact on the Company's Balance Sheet if all set-off rights were exercised.

Particulars	Effects of offsetting on the Balance Sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the Balance Sheet	Net amount presented in the Balance Sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
31 March 2019						
Financial assets						
i. Investments	7,714	-	7,714	-	-	7,714
ii. Trade receivables	59,892	-	59,892	-	-	59,892
iii. Cash and cash equivalents	9,538	-	9,538	-	-	9,538
iv. Bank balances other than (iii) above	90,278	-	90,278	-	8,434	81,844
v. Loans	24,417	-	24,417	-	-	24,417
vi. Other financial assets	47,683	-	47,683	-	-	47,683
Total	**239,522**	**-**	**239,522**	**-**	**8,434**	**231,088**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Effects of offsetting on the Balance Sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the Balance Sheet	Net amount presented in the Balance Sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
Financial liabilities						
i. Borrowings	411,414	-	411,414	-	-	411,414
ii. Trade payables						
Micro, Small and Medium Enterprises	545	-	545	-	-	545
Others	127,075	-	127,075	-	-	127,075
iii. Other financial liabilities	128,183	-	128,183	-	-	128,183
Total	**667,217**	**-**	**667,217**	**-**	**-**	**667,217**
31 March 2018						
Financial assets						
i. Investments	13,087	-	13,087	-	-	13,087
ii. Trade receivables	66,264	-	66,264	-	-	66,264
iii. Cash and cash equivalents	24,178	-	24,178	-	-	24,178
iv. Bank balances other than (iii) above	86,953	-	86,953	-	12,349	74,604
v. Loans	25,503	-	25,503	-	-	25,503
vi. Other financial assets	31,969	-	31,969	-	-	31,969
Total	**247,954**	**-**	**247,954**	**-**	**12,349**	**235,605**
Financial liabilities						
i. Borrowings	458,098	-	458,098	-	-	458,098
ii. Trade payables						
Micro, Small and Medium Enterprises	2,579	-	2,579	-	-	2,579
Others	95,787	-	95,787	-	-	95,787
iii. Other financial liabilities	115,764	-	115,764	-	-	115,764
Total	**672,228**	**-**	**672,228**	**-**	**-**	**672,228**

Note 37: Fair value measurements

Financial instruments by category

Particulars	31 March 2019			31 March 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	350	-	-	118	-	-
- Mutual funds	-	-	-	5,605	-	-
Loans	-	-	24,417	-	-	25,503
Trade receivables	-	-	59,892	-	-	66,264
Cash and cash equivalents	-	-	9,538	-	-	24,178
Other bank balances	-	-	90,278	-	-	86,953
Bank deposits with more than 12 months maturity	-	-	-	-	-	87
Other financial assets	-	-	47,683	-	-	31,882
Total financial assets	**350**	**-**	**231,808**	**5,723**	**-**	**234,867**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2019			31 March 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	411,414	-	-	458,098
Trade payables	-	-	127,620	-	-	98,366
Current maturities of long term debt	-	-	116,331	-	-	100,439
Other financial liabilities	-	-	11,852	-	-	15,325
Total financial liabilities	**-**	**-**	**667,217**	**-**	**-**	**672,228**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

Financial assets measured at fair value - recurring fair value measurements **At 31 March 2019**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Growth plan	6(d)	-	-	-	-
Mutual funds - Dividend plan	6(d)	-	-	-	-
Unquoted equity instruments - Woodland Speciality Hospital Ltd	6(a)	-	-	350	350
Total financial assets		**-**	**-**	**350**	**350**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **At 31 March 2019**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	6(b)	-	-	-	-
Loans to others	6(b)	-	-	1562	**1,562**
Bank deposits	6(c)	-	-	-	-
Total financial assets		**-**	**-**	**1,562**	**1,562**
Financial Liabilities					
Borrowings	13(a)	-	368,997	-	**368,997**
Security deposits	13(b)	-	-	41	**41**
Total financial liabilities		**-**	**368,997**	**41**	**369,038**

Assets measured at fair value - recurring fair value measurements **At 31 March 2018**	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Growth plan	6(d)	-	-	-	**-**
Mutual funds - Dividend plan	6(d)	5,605	-	-	**5,605**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Unquoted equity instruments - Woodland Speciality Hospital Ltd	6(a)	-	-	118	**118**
Total financial assets		**5,605**	**-**	**118**	**5,723**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Loans to related parties	6(b)	-	-	-	**-**
Loans to others	6(b)	-	-	1,573	**1,573**
Bank deposits	6(c)	-	87	-	**87**
Total financial assets		**-**	**87**	**1,573**	**1,660**
Financial liabilities					
Borrowings	13(a)	-	431,096	-	**431,096**
Security deposits	13(b)	-	-	94	**94**
Total financial liabilities		**-**	**431,096**	**94**	**431,190**

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

There were no transfers between any levels during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of closing NAV for investment in mutual funds
- the use of book values for investment in unlisted equity securities
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

Particulars	Unlisted Equity Securities
As at 1 April 2017	99
Gains(losses) recognised in Statement of profit or loss	19
As at 31 March 2018	**118**
Gains(losses) recognised in Statement of profit or loss	232
As at 31 March 2019	**350**

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Fair Value as at		Significant unobservable inputs	Sensitivity	
	31 March 2019	31 March 2018		2019	2018
Valuation inputs and relationship to fair value - Investment in Equity Securities held for sale (non recurring)	7	7	Net book values	Not applicable	
Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)*	350	118	Net book values	Increase (decrease) in the book value would result in increase (decrease) in fair value	

*Net book value as on 31st March, 2019 is calculated based on latest available Financial Statements (i.e. 31st March 2018)

(iv) Valuation processes

The finance department of the Company includes a team that along with treasury function performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Director(finance).

For unlisted equity securities, their fair values are estimated based on the book values of the investee companies.

(v) Fair value of financial assets and liabilities measured at amortised cost

Particulars	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans to related parties	-	-	-	-
Loans to employees	1,562	1,562	1,573	1,573
Bank deposits	-	-	87	87
Total financial assets	**1,562**	**1,562**	**1,660**	**1,660**
Financial Liabilities				
Borrowings	368,997	368,997	431,096	431,096
Security deposits	41	41	94	94
Total financial liabilities	**369,038**	**369,038**	**431,190**	**431,190**

The carrying amounts of trade receivables, trade payables, short term security deposits, bank deposits with more than 12 months maturity, cash and cash equivalents including other bank balances and other current financial assets and liabilities are considered to be the same as their fair values.

The fair values of non-current borrowings (with floating rate of interest) is not impacted due to interest rate changes and will not be significantly different from their carrying amount as there is no significant change in the underlying credit risk of the Company's borrowings.

The fair values of non-current borrowings (with fixed rate of interest) are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 38: Financial Risk Management

The Company has exposure to the Credit risk, Liquidity risk and Market risk.

The Company's Board of Directors have the overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors have established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(A) Credit Risk :

(i) Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of a large number of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period. This credit period has been determined by considering the business environment in which the Company operates.

The Company considers dealing with creditworthy customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk due to above is periodically monitored. Based on the periodical analyses, the credit risk is managed by continuous review and follow-up.

(ii) Provision for expected credit losses (ECL): The Company provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simplified basis of recognition of expected credit losses in case of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. The aging has been done for bracket of 90 days over a period of last 3 years. Receivables that are more than 3 years old are considered uncollectible. Further, customers declaring bankruptcy or failing to engage in repayment plan with the Company, provisioning is made on case to case basis i.e. such customers do not form part of this impairment exercise and provided for separately.

(iii) Reconciliation of Trade receivables :

Particulars	31 March 2019	31 March 2018
Gross carrying amount of trade receivables	85,515	94,920
Less : Expected credit losses	10,940	12,504
Less : Provision made separately for bankrupt/terminated agents	4,255	3,849
Less : Other Provisions (i.e. Off Hire, Demurrage, others)	10,428	12,303
Carrying amount of trade receivables (net of impairment)	**59,892**	**66,264**

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

Particulars	Amount
Loss allowance on 1st April 2017	**13,512**
Changes in loss allowance	(1,008)
Loss allowance on 31st March 2018	**12,504**
Changes in loss allowance	(1,564)
Loss allowance on 31st March 2019	**10,940**

(B) Liquidity risk

(i)Prudent liquidity risk management refers to the management of the Company's short term and long term funding and liquidity management requirements. The Company's treasury maintains flexibility in funding by maintaining availability of funds under committed credit lines.

Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings include both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

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

Contractual maturities of financial liabilities 31 March 2019	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	297,007	213,242	68,570	578,819
Trade payables	127,620	-	-	127,620
Security and other deposits	773	41	-	814
Others financial liabilities	11,038	-	-	11,038
Total liabilities	**436,438**	**213,283**	**68,570**	**718,291**

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	242,633	292,072	64,769	599,474
Trade payables	98,366	-	-	98,366
Security and other deposits	627	94	-	721
Others financial liabilities	14,604	-	-	14,604
Total liabilities	**356,230**	**292,166**	**64,769**	**713,165**

(C) Market risk

Market risk is the risk that changes in market indicators such foreign exchange rates, interest rates and commodity prices will affect the Company's income or the value of its financial instruments. The Company's activities mainly expose it to risks arising from changes in foreign exchange rate and interest rate and freight/charter hire rates.

(i) Foreign currency risk

The Company operates vessels in foreign waters, earns revenues and incurs expenditure in foreign currencies, primarily with respect to USD, EURO and certain other foreign currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

Considering the business environment in which Company operates, exposure to foreign exchange rate risk is largely managed by collection of income in foreign currencies in short term bank accounts abroad.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	31 March 2019			31 March 2018		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Current assets	10,599	-	77	1,647	-	97
Current Loans & Advances	22,034	-	-	23,302	-	-
Cash and cash equivalents	2,017	729	386	22,335	702	253
Other Bank Balances	208	-	-	2,254	-	-
Trade Receivables	20,781	5,060	10,752	29,606	5,640	10,311
Exposure to foreign currency risk (assets)	**55,639**	**5,789**	**11,215**	**79,144**	**6,342**	**10,661**
Financial liabilities						
Long Term (Non-Current) Borrowings	252,666	-	-	330,657	-	-
Current maturities of long term borrowings	116,331	-	-	100,439		

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2019			31 March 2018		
	USD	EUR	Others	USD	EUR	Others
Other current Liabilities	85,857	446	(504)	53,300	129	(1,910)
Short Term Borrowings	158,748	-	-	127,441	-	-
Trade Payables	57,628	1,927	9,364	40,573	5,094	10,488
Exposure to foreign currency risk (liabilities)	**671,230**	**2,373**	**8,860**	**652,410**	**5,223**	**8,578**
Liabilities directly associated with assets classified as held for sale	20,504	-	-	19,280	-	-
Total exposure to foreign currency risk (liabilities)	**691,734**	**2,373**	**8,860**	**671,690**	**5,223**	**8,578**

(b) Sensitivity

The following table details the Company's sensitivity to a 3% increase/ decrease in INR as against USD and 4% increase / decrease in INR as against EUR. The sensitivity analysis includes only foreign currency denominated monetary items.

Particulars	Impact on profit after tax	
	31 March 2019	31 March 2018
USD sensitivity		
INR/USD -Increase by 3% (31 March 2018- 3%)	(19,083)	(17,776)
INR/USD -Decrease by 3% (31 March 2018- 3%)	19,083	17,776
EUR sensitivity		
INR/EUR -Increase by 4% (31 March 2018- 1%)	137	11
INR/EUR -Decrease by 4% (31 March 2018- 1%)	(137)	(11)

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates. The Company’s main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its interest rate risk by regularly monitoring the interest rate movement and deciding on type of interest rate i.e. fixed or fluctuating.

(a) Interest rate risk exposure

The exposure of the Company’s borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2019	31 March 2018
Variable rate borrowings	529,906	561,784
Total borrowings at variable rate	**529,906**	**561,784**

(b) Sensitivity

The sensitivity analysis has been determined based on the exposure to interest rate risk on the borrowings outstanding as at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year with a 100 basis point increase or decrease.

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

Particulars	Impact on profit after tax	
	31 March 2019	31 March 2018
Interest rates – increase by 100 basis points (100 bps)	(5,299)	(5,618)
Interest rates – decrease by 100 basis points (100 bps)	5,299	5,618

(iii) Freight/Charter hire risk

Shipping industry is governed by various national and international economic and geopolitical developments. Local and international demand and supply determine freight and charter hire rates. Since Company's vessels ply in international waters, it is affected by such developments. Also, bunker cost is major component of Company's cost structure and bunker prices are highly volatile.

Note 39: Capital management

(a) Risk management

The Company’s objectives when managing capital are to safeguard the company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as Long Term Borrowings (including current portion of Long Term borrowings as shown in the Balance Sheet).

Particulars	31 March 2019	31 March 2018
Net Debt	368,997	431,096
Total Equity	698,121	709,756
Net debt to equity ratio	**0.53**	**0.61**

(b) Loan covenants

The company has 8 ECB Loan Agreement wherein 7 of the agreements have a financial covenant of Debt Service Coverage Ratio (DSCR). The company has not been able to meet the DSCR covenant. However the company has given an alternate covenant of ‘Minimum Cash Covenant’ in lieu of the DSCR covenant in 3 of the loans and other 5 lenders are in the process of waiving the DSCR default.

Note 40

a) During the year ended 31st March, 2019, tanker vessel, M.T. ‘Desh Vaibhav’ on its way to Fujairah, UAE, suffered an explosion in one of its cargo tank, off Oman coast. This vessel is insured with M/s Oriental Insurance Co Ltd (Hull Underwriter) under ‘Hull & Machinery’ insurance cover and the cost of damage repair is recoverable from insurance company. The Company has submitted on account interim claim of ₹ 9298 lakhs to M/s Oriental Insurance Co Ltd and the Company reasonably expects ultimate collection of the same. The Company has recognized the claim recovery of ₹ 9298 lakhs and additional expenses of ₹ 240 lakhs during financial year.

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

Note 41

a) During the year ended 31st March 2019, the Company based on internal evaluation, reassessed the useful life of Air Conditioner (except AC Plant). Accordingly, the useful life of the Air Conditioner (except AC Plant) which was 15 years has been revised to 10 years. Due to this change, the fixed assets for the year ended 31st March 2019 is lower by ₹ 22.40 lakhs due to higher depreciation and profit for the FY 2018-19 is lower by ₹ 22.40 lakhs. Due to the said change, depreciation expenses for the future periods will be lower by approximate ₹ 22.40 lakhs.

b) During the year ended 31st March 2019, the Company based on technical assessment, reassessed the useful life of Solar Plant. Accordingly, the useful life of the Solar Plant which was 20 years has been revised to 25 years. Due to this change, the fixed assets for the year ended 31st March 2019 is higher by ₹ 2.87 lakhs due to lower depreciation and profit for the FY 2018-19 is higher by ₹ 2.87 lakhs. Due to the said change, depreciation expenses for the future periods will be higher by approximate ₹ 2.87 lakhs.

c) On the basis of review of residual value of vessels, 2 PSV and 4 AHTS vessels are estimated to be having scrap value less than 5% of original cost. Therefore, residual value of 2 PSV and 4 AHTS vessels is reduced to approximately 4%. Due to this change, depreciation for the year ended 31st March 2019 is higher by ₹ 49.44 lakhs and profit for the FY 2018-19 is lower by ₹ 49.44 lakhs. Due to the said change, depreciation expenses for the future period will be higher by approximate ₹ 49.44 lakhs every year.

Note 42

M.T. 'Mahraja Agrasen' while discharging cargo (crude oil) at Jawahar Dweep #4 suffered a flash fire incident on 13.04.2019. The fire was contained and extinguished immediately by the ship's staff. The Company does not expect material impact of the repair cost in the accounts.

Note 43

Ministry of Shipping provided subsidy of Rs 19 crore in the financial year 2016-17 to the company for running direct shipping service from India to Bangladesh- Myanmar and Srilanka- Maldives for a period of six months for financial year 2017-18. Action for chartering of vessel for starting the service has been deferred since the proposal for starting direct shipping service to Myanmar is under review with the Ministry of External Affairs. The Company is awaiting further direction from the Ministry in this regard. Meanwhile, the Company is also seeking guidance/direction from Ministry regarding unutilized grant amount and also initiated action to refund interest earned thereon.

Note 44

a) C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of ₹ 11.03 crores for the FY 2014-15. Audit observed that the company did not follow the DPE guidelines for determining the PBT for the FY 2014-15, as well as for computing the incremental profit for arriving at the amount distributable as PRP.

b) On the above matter, C&AG further observed that DPE Guidelines (November 2008) require the CPSEs to follow a 'Bell Curve' approach in grading the officers so that not more than 10 to 15 percent are graded outstanding and 10 percent are to be graded below par. As per DPE clarification (6th July 2011), the bottom 10 percent of employees are not to be paid any PRP. SCI has categorized below par employees as 'Opportunity for development (OFD) and 'Do not meet expectation (DNME)'. The OFD category employees were paid PRP amounting to ₹ 38.46 lakh at a Performance factor of 0.4.

The company has submitted its response on the payment of PRP for FY 2014-15 and the matter is under the consideration of C&AG and final outcome is awaited. Appropriate action shall be taken based on further developments in the matter.

Note 45

The Company is in process of analysing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis, gratuity liability has been adequately provided in books of accounts.

Note 46

The management has revised the method of allocation of management expenses w.e.f 01.04.2017 based on which Statement of Account (SOA's) were raised to the customers. The revised method of allocation has resulted into increase of revenue, for current year by approx ₹ 64 crores (previous year ₹ 78 crores). Substantial collections have been made towards this and the outstanding amount of approx ₹ 37 crores as on 31.03.2019 is being pursued for recovery. The management is confident of recovering the entire outstanding amount.

Note 47

Trade Payables, Trade Receivables and Deposits are subject to confirmation and reconciliation. During the year, letters for confirmation of balances have been sent to various trade payable and trade receivable parties by the Company and the same are under reconciliation wherever replies have been received. The management, however, does not expect any material changes on reconciliation.

Note 48

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

INDEPENDENT AUDITOR'S REPORT

To the Members of

The Shipping Corporation of India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **The Shipping Corporation of India Limited** (hereinafter referred to as the 'Holding Company") its subsidiaries and jointly controlled entities (together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, (the consolidated statement of changes in equity) and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical / independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter:

We draw attention to the following:

i) We draw attention to Note No. 44 to the Financial Statements, C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of Rs. 11.03 crores for the FY 2014-15. Audit observed that the company did not follow the DPE guidelines for determining the PBT for the FY 2014-15. The company has submitted its response and the matter is under the consideration of C&AG and final outcome is awaited.

ii) We draw attention to Note No. 45 to the Financial Statements, the Company is in process of analysing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis, gratuity liability has been adequately provided in books of accounts.

iii) As mentioned in the Note No. 47 to the Financial Statements, Trade Receivables including reimbursables, Trade Payables and Deposits are subject to the balance confirmations, subsequent reconciliation and consequential adjustments, if any, as on March 31, 2019.

Our Opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr.No.	Key Audit Matter	Auditor's Response
1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)** The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to	We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ● Evaluated the design of internal controls relating to Implementation of the new revenue accounting standard. ● Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. ● Selected a sample of continuing and new contracts and performed the following procedures:

Sr.No.	Key Audit Matter	Auditor's Response
	the balance sheet date. (Refer Notes No 33 to the Consolidated Financial Statements)	✓ Read, analyzed and identified the distinct performance obligations in these contracts. ✓ Compared these performance obligations with that identified and recorded by the Company. ✓ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue. ✓ In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified ✓ Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
2	**Impairment testing of Fleets in line with the Ind AS 36** The company at the end of every financial year, assesses the market conditions and other specific risks to determine if there are any triggering events that may be indicators of an impairment of the fleets. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.	We have obtained the management's view to gain an overview of the triggering events, market conditions (present & future), operational factors and other key assumptions supporting the impairment assessment. We have performed the following procedures for verification of impairment testing of Fleets: ● Understanding the process for collecting the inputs into the valuation models to evaluate the design of the Company's controls over its impairment assessment and challenged the appropriateness of the inputs and significant assumptions, including the cash flow projections, discount rate, costs and expenses. ● Re-performed the valuation calculations; benchmarked the valuation model with generally accepted valuation techniques; compared historical estimates used by management to actual results. We are able to conclude that the significant judgments are reasonable and free from bias as well as the appropriateness of the valuation models used and their consistent application.
3	**The direct access of certain overseas foreign agents to fund collected on account of freight and other charges.** Liner division of SCI has been carrying out its vessels operations and container marketing activities at various ports in India and abroad through its agency network. Agents perform various activities such as marketing, booking, clearing of cargo, port calls of vessels & also collection of freight on behalf of SCI. SCI depends on its agents for operation of Liner segment business. Since all the activities are performed by the agents there is requirement of funds & also collection of incomes directly by agents & subsequent remittance to SCI which creates a risk on the part of the Company.	We assessed the Company's process to evaluate Agents on timely basis to identify the impact of on the revenue and collection of funds. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ● Evaluated the design of internal controls related to direct access of certain overseas foreign agents to fund collected on account of freight. ● Selected sample transactions and tested the operating effectiveness of the internal control, relating to identification of risk associated with the business through foreign agents. ● Company has also conducted the audit of major agents by third party CA Firms in order to verify the performance and inspection of evidence in respect of operation of these controls. ● Company has also obtained bank guarantee from major agents & also reviewed the same periodically to confirm its

Sr.No.	Key Audit Matter	Auditor's Response
		validity and completeness with respect to risk exposure on revenue due to direct access to agents.
4	**<u>Evaluation of Dry Docking Cost & Repair Expenses of Vessels:-</u>** As per Ind AS 116 Subsequent costs like expenditure on major maintenance refits or repairs including planned dry-dock are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. A shipping company on a periodic basis is required to bring all ships into dry dock for major inspection and overhaul. Overhaul expenditure might at first sight seem to be a repair to the ships but it is actually a cost incurred in getting the ship back into seaworthy condition.	To assess the recognition of dry docking cost & repair cost, we performed the following process: ● Evaluated the design of internal controls relating to the major cost like repairs & dry-docking which are of two types i.e. planned dry-dock & Emergency dry-dock. ● Selected a sample to verify the operating effectiveness of the internal control, relating to identification of the distinction between the two cost i.e. repair & dry-dock cost. ● Tested the relevant information technology systems' relating to the Dry-dock & Fleet related expenses. We are able to conclude that the repairs & dry-dock are reasonable and free from bias as well as the appropriateness of the dry-dock cost capitalized in the books of accounts.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group and of jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities is responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of Subsidiary company, 'Inland and Coastal Shipping Limited whose financial statements reflect total assets of Rs. 5.30 Lakhs as at March 31, 2019, total revenues of Rs. 0.33 Lakhs and net cash outflows amounting to Rs. 0.12 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs.5932 lakhs and total comprehensive income of Rs. 499 Lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 4 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited for the year ended March 31, 2019 and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on such audited and unaudited financial statements respectively. Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.

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

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

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

3. As required under sub section (5) of Section 143 of the Act, in case of Holding Company and Subsidiary Company being the Government company and its Joint Ventures not being Government Companies, whose financial statements have been consolidated, under the Act, we give in the "**Annexure B**" a statement on the matters specified in the directions and sub-directions issued by Office of the Comptroller and Auditor General of India with respect to the Holding Company only.

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai
Date: May 28, 2019

For A. Bafna & Co.
Chartered Accountants
FRN.003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No.073515
Place: Mumbai
Date: May 28, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure A" to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of The Shipping Corporation of India Limited

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

To the Members of The Shipping Corporation of India Limited

In conjunction with our audit of the consolidated financial statements of The Shipping Corporation of India Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **The Shipping Corporation of India Limited** ("the Holding Company") and its subsidiary which is incorporated in India (together referred to as 'the Group') as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company and its subsidiary company, which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial control over financial reporting as at March 31, 2019.

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

b) The Control on the timely updation of telegram for booking of bunker consumption in correct voyage & recovery from charterer needs to be strengthened.

c) System for Monitoring and Clearing of Vendor Accounts (Including Agent Prefunding), GR/IR Accounts should be done on timely basis and Legacy Balances should be reconciled.

d) The system has to ensure that the TDS is deducted either at the time of booking of expenses or while making the provisions at cut-off date.

In our opinion, the holding Company & the subsidiary company which is the company incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019 based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of objectives of the control criteria, the internal financial controls over financial reporting of the company were operating effectively as at March 31, 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company as of March 31, 2019 and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.

Other Matters

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

Our opinion is not modified in respect to this matter.

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai
Date: May 28, 2019

For A. Bafna & Co.
Chartered Accountants
FRN.003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No.073515
Place: Mumbai
Date: May 28, 2019

ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure B" to Independent Auditors' Report

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

On the Accounts of The Shipping Corporation of India Ltd. for the year 2018-19

Sr.No.	Directions	Auditors' comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If NO, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has One Accounting System i.e. SAP & other operating softwares such as Danaos & Afsys etc. All these softwares are integrated with each other & there are no transactions which are accounted outside the IT System.	No Impact
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As explained to us and observed during the course of audit, there is no restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan.	No Impact
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As explained to us & observed during the course of audit the Company has received two subsidies in earlier years, status of the same is as follows:- a) Related to Myanmar Service, Company has accounted and utilised the grant as per its term and conditions and amount spent exceeding the grant amounting to Rs. 4.67 Cr. is shown as receivable and provision for doubtful advances is created on the same. b) Related to new service from India to Bangladesh-Myanmar and Sri Lanka- Maldives. SCI has received the grant and is still awaiting directions from Ministry to start the service or refund the grant. Company has initiated the process of remitting the interest earned on the grant to the Ministry. (Refer Note No. 43 of Financial statements)	No Impact

Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of the Shipping Corporation of India Limited for the year 2018-19

Sr.No.	Sub-directions	Auditors' comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
1	Whether Substantial portion of Revenue Booked/ invoices raised are reversed or cancelled?	As explained to us and observed during the course of audit, No substantial portion of revenue booked / invoices raised by company are reversed or cancelled except that in normal course of business and due to provision created at the cut-off date as per relevant Ind AS.	No Impact
2	State the system for providing Impairment to vessels	To determine Impairment of each vessel, carrying amount of the vessel is compared with its recoverable amount. Where the carrying amount of the vessel exceeds the recoverable amount, an impairment loss for the vessel is recognized. Recoverable amount of the vessel is higher of its Market Value & Value in use as on the balance sheet date.	No Impact

		Market value of vessels at Balance Sheet date are based on valuation reports provided by reputed international Valuation firms. Value in use of vessels is based on projections of Future Cash inflows & Outflows generated from the use of the vessel and its subsequent sale. Cash inflows and outflows used in the calculation are based on market report of research and advisory firms like Drewry (where available) as well as best available management estimates. Cash Inflow on sale of vessels is considered as their Scrap Value at the end of their useful life. The Value in use of Vessels as on the reporting date is arrived at by discounting the Net Cash Inflows by using Weighted Average Cost of Capital (WACC).	
3	State the system for bifurcating repairs and expense for capitalization and charging to revenue. Whether repairs and expenses which do not add to useful life of vessels are capitalized?	As per the company's accounting policy, expenses incurred during the planned dry docking of vessels and other major repair expenses of vessels like replacement of auxiliary engine etc. are capitalised in the asset's carrying amount if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably as per the recognition criteria of Ind AS 16. All other repairs and expenses that do not meet the recognition criteria of Ind AS 16 are charged to revenue. As observed during the course of audit, repairs and other expenses which do not add to useful life of vessels are not capitalised by the Company and the same are charged to revenue.	No Impact
4	Whether Title to all investments /FD actually available with the Company?	Title to all Investments including investments in shares & fixed deposits are available with the company.	No Impact
5	Whether balance payable to Agents as at the year-end is correctly reflected under the "Liability" head in Balance Sheet?	Yes, As explained & observed during the course of audit at the end of the year the company has a process to identify the Agent balances as receivable or payable. Agents having Credit balances i.e. where money is payable to the agent, such balances are disclosed under the "Liability" head in the balance sheet.	No Impact

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

CA Chetan R. Sapre
Partner
ICAI Membership No. 116952
Place: Mumbai
Date: May 28, 2019

For A. Bafna & Co.
Chartered Accountants
FRN.003660C

CA Mukesh Kumar Gupta
Partner
ICAI Membership No.073515
Place: Mumbai
Date: May 28, 2019

The Shipping Corporation of India Limited

CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	**3**	1,111,656	1,134,748
Capital work-in-progress	**4**	763	781
Other intangible assets	**5**	253	52
Investments accounted for using the equity method	**5(a)**	27,571	21,139
Financial assets			
i. Investments	**6(a)**	350	118
ii. Loans	**6(b)**	2,036	1,885
iii. Other financial assets	**6(c)**	7	91
Income Tax assets (net)	**7**	12,054	14,879
Other non-current assets	**8**	8,180	7,921
Total non-current assets		**1,162,870**	**1,181,614**
Current assets			
Inventories	**10**	15,979	11,653
Financial assets			
i. Investments	**6(d)**	-	5,605
ii. Trade receivables	**6(e)**	59,892	66,264
iii. Cash and cash equivalents	**6(f)**	9,538	24,179
iv. Bank balances other than (iii) above	**6(g)**	90,282	86,957
v. Loans	**6(b)**	22,381	23,618
vi. Other financial assets	**6(c)**	47,666	31,868
Current Tax assets (net)	**9**	3,508	-
Other current assets	**8**	22,904	18,838
Assets classified as held for sale	**11**	7	28
Total current assets		**272,157**	**269,010**
Total assets		**1,435,027**	**1,450,624**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**12**	46,580	46,580
Other equity	**13**	671,742	676,945
Total equity		**718,322**	**723,525**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	**14(a)**	252,666	330,657
ii. Other financial liabilities	**14(b)**	41	94
Provisions	**15**	9,773	9,004
Deferred tax liabilities (net)	**16**	9,153	10,395
Total non-current liabilities		**271,633**	**350,150**

The Shipping Corporation of India Limited

CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Current liabilities			
Financial liabilities			
i. Borrowings	**14(c)**	158,748	127,441
ii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	**14(d)**	545	2,579
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	**14(d)**	127,075	95,787
iii. Other financial liabilities	**14(b)**	128,142	115,671
Other current liabilities	**17**	9,167	15,259
Provisions	**15**	891	932
Liabilities directly associated with assets classified as held for sale	**18**	20,504	19,280
Total current liabilities		**445,072**	**376,949**
Total liabilities		**716,705**	**727,099**
Total equity and liabilities		**1,435,027**	**1,450,624**

The accompanying statement of profit & loss, cash flow statement, statement of changes in equity and notes no. 1 to 51 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

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

CA Chetan R. Sapre
Partner
Membership No. 116952

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

The Shipping Corporation of India Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	**19,20**	392,586	346,947
Other income	**21**	21,824	14,800
Total Income		**414,410**	**361,747**
Expenses			
Cost of services rendered	**22**	257,197	222,381
Employee benefits expense	**23**	45,244	48,592
Finance costs	**24**	24,586	17,979
Depreciation and amortisation expense	**25**	65,846	61,025
Other expenses	**26**	29,021	8,822
Total expenses		**421,894**	**358,799**
Profit/(Loss) before exceptional items, share of net profits of investments accounted for using equity method and tax		**(7,484)**	**2,948**
Share of net profit of associates and joint ventures accounted for using equity method		5,932	5,275
Profit before exceptional items and tax		**(1,552)**	**8,223**
Exceptional items		-	-
Profit/(Loss) before tax		**(1,552)**	**8,223**
Tax expense	**29**		
Current tax		7,090	6,000
Deferred tax		(1,242)	(28,427)
MAT Credit Entitlement		(1,134)	-
Total tax expense		**4,714**	**(22,427)**
Profit/(Loss) for the Period		**(6,266)**	**30,650**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements gain/(loss) of defined benefit plans		564	1,103
Share of OCI of associates and joint ventures, net of tax		499	2,252
Other comprehensive income for the period, net of tax		**1,063**	**3,355**
Total comprehensive income for the period		**(5,203)**	**34,005**
Earnings per equity share	**27**		
Basic earnings per share (in ₹)		**(1.35)**	**6.58**
Diluted earnings per share (in ₹)		**(1.35)**	**6.58**

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes no. 1 to 51 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

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

CA Chetan R. Sapre
Partner
Membership No. 116952

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

The Shipping Corporation of India Limited

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(A) Cash Flow from operating activities:		
Profit/(Loss) before income tax	(1,552)	8,223
Adjustments for		
Add:		
Depreciation and amortisation expenses	65,846	61,025
Finance costs	24,586	17,979
Bad debts and irrecoverable balances written off	986	525
Provision for doubtful debts	3,195	511
Write off of Fixed Assets	191	-
Provision of Asset held for sale	95	-
Less:		
Dividend received	(287)	(205)
Interest received	(9,046)	(8,630)
Share of profits of associates and joint ventures	(5,932)	(5,275)
Excess Provisions written back	(1,778)	(5,046)
Surplus on sale of fixed assets	(11,395)	(5,150)
Change in non-current investment due to fair valuation	(232)	(19)
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(16,217)	(18,988)
(Increase)/Decrease in inventories	(4,326)	(132)
Increase/(Decrease) in trade payables	22,737	(12,998)
Cash generated from operations	66,871	31,820
Income taxes paid	(6,639)	(8,985)
Net cash inflow from operating activities (A)	**60,232**	**22,835**
(B) Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(47,613)	(64,777)
Sale proceeds of property, plant and equipment	16,050	17,807
Dividend received	287	205
Purchase of investments	-	(5,605)
Proceeds from sale of investments	5,605	-
Recovery of Loans given to employees and joint venture	1,001	2,855
Other Deposits with banks	(3,102)	(6,522)
Advances and other Deposits	(672)	194
Interest received	8,490	8,765
Net cash outflow from investing activities (B)	**(19,953)**	**(47,078)**

The Shipping Corporation of India Limited

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(C) Cash flow from financing activities:		
Long term loans borrowed/(repaid)	(62,099)	(20,713)
Short term loans borrowed/(repaid)	31,307	30,021
*Dividend on shares paid of earlier years and transfer to IEPF	(20)	(7)
Interest paid	(22,641)	(16,602)
Other financing costs	(1,243)	(1,411)
Net cash inflow/(outflow) from financing activities (C)	**(54,696)**	**(8,712)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(14,418)**	**(32,955)**
Add: Changes in Bank balances (unavailable for use) *	(223)	7
Add: Cash and cash equivalents at the beginning of the financial year	24,179	57,127
Cash and cash equivalents at the end of the year	**9,538**	**24,179**
Reconciliation of Cash Flow statements as per the cash flow statement		
	31 March 2019	**31 March 2018**
Cash Flow statement as per above comprises of the following		
Cash and cash equivalents	9,538	24,179
Balances as per statement of cash flows	9,538	24,179

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

The accompanying balance sheet, statement of profit & loss, statement of changes in equity and notes no. 1 to 51 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

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

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Chetan R. Sapre
Partner
Membership No. 116952

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)

Balance as at 1st April 2017	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2018	**46,580**
Changes in equity share capital	-
Balance as at 31st March 2019	**46,580**

B. Other Equity

Particulars	Note	Reserves and Surplus						Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Total Other Equity
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Other Reserves					
					General Reserve	Tonnage Tax Reserve	Tonnage Tax Reserve (Utilised)			
Balance as at 31 March 2017		**14,298**	**52,177**	**26,888**	**552,777**	**750**	**-**	**(3,451)**	**(499)**	**642,940**
Profit for the year		-	-	30,650	-	-	-	-	-	30,650
Other Comprehensive Income for the year	31	-	-	1,103	-	-	-	2,155	97	**3,355**
Total Comprehensive Income for the year		-	-	**31,753**	-	-	-	**2,155**	**97**	**34,005**
Transfer from Tonnage tax reserve (utilised)		-	-	-	750	-	-	-	-	**750**
Transfer from surplus in Statement of Profit & Loss account		-	-	-	-	-	-	-	-	**-**
Transfer to Tonnage tax reserve (utilised)		-	-	-	-		750	-	-	**(750)**
Transfer from Tonnage tax reserve		-	-	-	-	(750)	-	-	-	**750**
Transfer to Capital Reserve		907	-	(907)	-	-	-	-	-	**-**
Transfer to General Reserve		-	-	-	-	-	(750)	-	-	**(750)**
Balance as at 31 March 2018		**15,205**	**52,177**	**57,734**	**553,527**	**-**	**-**	**(1,296)**	**(402)**	**676,945**
Profit for the year		-	-	(6,266)	-	-	-	-	-	**(6,266)**
Other Comprehensive Income for the year	31	-	-	564	-	-	-	(790)	1,289	**1,063**
Total Comprehensive Income for the year		-	-	**(5,702)**	-	-	-	**(790)**	**1,289**	**(5,203)**
Transfer from Tonnage tax reserve (utilised)		-	-	-	-	-	-	-	-	**-**
Transfer from surplus in Statement of Profit & Loss account		-	-	-	-	-	-	-	-	**-**
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	-	-	-	-	**-**
Transfer from Tonnage tax reserve		-	-	-	-	-	-	-	-	**-**
Transfer to Capital Reserve		-	-	-	-	-	-	-	-	**-**
Transfer to General Reserve		-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2019		**15,205**	**52,177**	**52,032**	**553,527**	**-**	**-**	**(2,086)**	**887**	**671,742**

The accompanying balance sheet, statement of profit & loss, cash flow statement and notes no. 1 to 51 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

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

CA Chetan R. Sapre
Partner
Membership No. 116952

For A. BAFNA & CO.
Chartered Accountants
FR. No. 003660C

CA Mukesh Kumar Gupta
Partner
Membership No. 073515

Mumbai, Dated the 28th May, 2019

For and on behalf of the Board of Directors,

Dipankar Haldar
ED (LA & Company Secretary)

Mrs. H. K. Joshi
Director (Finance)
DIN - 07085755

Capt. Anoop Kumar Sharma
Chairman & Managing Director
DIN - 03531392

Mumbai, Dated the 28th May, 2019

Corporate Information

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

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

These consolidated financial statements are approved for issue by the Board of Directors on 28th May 2019.

Note 1: Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiary and joint ventures.

1.1 Basis of Preparation

(a) Compliance with the Indian Accounting Standards

The Consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with Section 133 of the Companies Act, 2013 ("the Act") to the extent applicable and current practices prevailing within the Shipping Industries in India. The policies set out below have been consistently applied during the years presented.

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the following:

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

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

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

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

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

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

(e) Amended standard adopted by the Group -

(i) Ind AS 115 'Revenue from Contracts with Customers':

The Group has implemented the Ind AS 115 "Revenue from Contracts with Customers" as notified by Ministry of Corporate Affairs on 28th March 2018 through the "Companies (Indian Accounting Standard) Amendment Rules, 2018.

For Ind AS 115, the modified retrospective approach has been applied which entails that any cumulative effects are recognised in retained earnings as of 1 April 2018 and the comparison period has not been restated. The implementation of the standard has no material impact on accounts. The current practice for recognising revenue has been shown to comply in all material aspects, with the concepts and principles encompassed by the new standard. The other amendments encompass various guidance and clarifications which only affect disclosures.

The disclosures of significant accounting reporting requirements and assumptions relating to revenue from contracts with customers are provided in Note No 33.

(ii) Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance':

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2018 (the Rules) on 20 September 2018. The Rules amended Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance. These amendments are applicable from 1 April 2018 onwards.

A government grant in the form of a non-monetary asset may be accounted either at fair value or at a nominal amount. As per the pre-amended (or original) standard, such a grant was necessarily required to be initially recognized at fair value.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. In consequence to this, in case of repayment of such grant, the same shall be recognized by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognized in profit or loss to date in the absence of the grant shall be recognized immediately in profit or loss. In case of repayment of grant, the Group shall also be required to consider the possible impairment of the new carrying amount of the asset.

Corresponding changes have also been made to Ind AS 16 – Property, Plant and Equipment as well as Ind AS 38 – Intangible Assets to accommodate the above alternative accounting treatment. Ind AS 12 – Income Taxes has also been amended to state that deferred tax is not required to be recognized in respect of non-taxable government grant, where the grant is deducted from the carrying amount of the asset.

The Group applied this amendment w.e.f. from accounting period commencing on or after April 1, 2018. The current practice has been shown to comply in all material aspects, with amendments in the standard and the amendment in the standard has no impact on accounts.

(f) Recent accounting pronouncements

Standard issued but not yet effective

(i) Ind AS 116 'Leases':

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019 notifying the Ind AS 116 'Leases'. This new standard will be applicable for period beginning on 1st April 2019.

Ind AS 116, 'Leases' covers the recognition of leases and related disclosure in the financial statements, and will replace Ind AS 17 'Leases'. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with Ind AS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for operating leases. It would require further evaluation of each contract to determine whether all lease contracts in the Group currently not defined as financial lease, would qualify as leases under new standard.

The Group has evaluated the impact of Ind AS 116. The standard will be implemented using the modified retrospective approach, where comparative information will not be restated. The current material lease contracts are related to time Charter contracts, land and Building, Containers etc. According to Ind AS 116, operating leases of longer than 12 months will be accounted for on balance sheet as right-of-use assets and lease liabilities. The Group expects to opt for the short-term and low-value leases exemptions. This standard will be applied by the Group from its effective date i.e. from accounting period commencing on or after April 1, 2019.

Based on analysis to date and on interest rates prevailing as at 1st April 2019, the Group estimates the following for the financial year 2019-20:

An increase of the lease liabilities in the range of Rs 11200-11500 lakhs,

Additional depreciation expense of nearly Rs 3449 lakhs,

Additional interest expenses of nearly Rs 753 lakhs.

Hence, Group estimates that Profit and Loss for the financial year 2019-20 may be negatively impacted by an amount of Rs 229 lakhs, based on the lease portfolio as at March 31, 2019. However, the impact of containers taken on lease is not included in the above estimates as the impact is not known or cannot be reasonably estimated as it will depend on factors such as the exact composition of lease portfolio, lease period etc.

The actual impact of Ind AS 116 implementation may vary compared to the above latest estimates due to, among other things, the exact composition of the lease portfolio at that time, latest data regarding time charter rates / agreement rates and potential changes in the level of prevailing interest rates.

(ii) Other Amendments:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30th March 2019 notifying the following amendments which are applicable for period beginning on 1st April 2019:

- Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments
- Amendments to Ind AS 103: Business Combinations
- Amendments to Ind AS 109: Prepayment features with Negative Compensation
- Amendments to Ind AS 111: Joint Control and Joint Operations
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 23: Borrowing
- Amendments to Ind AS 28: Long-term interests in associates and joint-ventures

Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments - The principles of uncertain tax treatments is included in the scope of Ind AS 12 "Income taxes". In essence, it assumes that taxation authorities will examine all uncertain tax treatments and will have full knowledge of all related information when doing so. Hence, a tax liability should be recognized when it is probable that the tax authority will refuse the tax treatment.

The Group will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 103: Business Combinations – The amendment explains that when a party to a joint arrangement on obtaining a control of a business that is a joint operation and had right to the assets and obligation for the liabilities relating to the joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages and acquirer shall apply requirement for business combination achieved in stages. The Group will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 109: Financial Instruments - Prepayment features with Negative Compensation – The amendment allows companies to measure particular prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income instead of measuring those assets at fair value through profit or loss. The Group will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 111: Joint Arrangements - Joint Control and Joint Operations –The amendment that states that a party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. In such cases, previously held interests in the joint operation are not remeasured. The Group will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 19: Employee Benefits – Plan Amendment, Curtailment or Settlement - The amendments are relating to changes in determining the past service cost and current service cost on plan amendment, curtailment or settlement and about consideration of effect of asset ceiling. The Group will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 23: Borrowing Costs – The amendment is about determination of amount of borrowing cost eligible for capitalisation in a case where an entity borrows fund generally and uses them for the purpose of obtaining a qualifying asset by applying a capitalisation rate to the expenditures on that asset. The Group will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 28: Investments in Associates and Joint Ventures - The amendment is about application of Ind AS 109 (Financial Instruments) to other financial instruments in an associate or joint venture to which the equity method is not applied. The Group will apply this amendment w.e.f. accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

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

1.2 Basis of Consolidation

Subsidiaries

i. The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiary over which the group has control which has been prepared in accordance with Ind AS 110 -"Consolidated Financial Statements". Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

ii. The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.

iii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iv. The financial statements of the subsidiary used in consolidation are drawn up to the same reporting date as that of the Company i.e. year ended 31 March 2019.

Joint arrangements

Under Ind AS 111, "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures.

Joint ventures

The consolidated financial statements include the interest of the Company in joint ventures which are accounted using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivables from joint ventures are recognised as reduction in the carrying amount of the investments.

When the Company's share of losses in the equity accounted investments equals or exceeds its interest in the investee, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations.

The financial statements of the joint ventures used in the consolidation have been prepared under IFRS. For India LNG Transport Company (No. 1, 2, 3, 4) period 1st April 2018 to 31st March 2019 has been taken. Since, the India LNG Transport Company (No. 1, 2, 3, 4) are preparing audited financial statements following calendar year, the unaudited financial results for the period 1st January to 31st March are considered for the purpose of consolidation. However, in the previous year 2017-18 for India LNG Transport Company (No. 4) Ltd. period 1st January 2017 to 31st March 2018 has been taken as financial accounts of quarter 1st January 2017 to 31st March 2017 of India LNG Transport Company (No. 4) were not available for consolidation in the previous year 2016-17.

The results and financial position of foreign operations such as joint ventures that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates and
- All resulting exchange differences are recognised in other comprehensive income.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in 'Indian Rupees' (INR), which is the Group's functional and the Group's presentation currency.

(b) Transactions and balances

All foreign currency transactions are recorded at the previous day's available RBI reference rate/exchange rate published through FBIL (Financial Benchmarks India Private Limited). Since the RBI reference rate published through FBIL is available for four major currencies only i.e, USD, UKP, EUR, YEN, exchange rates of other currencies are taken from xe.com website.

The foreign currency balances in US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the available RBI reference rate/exchange rate published through FBIL at the period end. The foreign currency balances other than US Dollars, UK Pounds, Euro and Japanese YEN appearing in the books of account at the period end are translated into US Dollars at the rate available on xe.com website at the period end. Thereafter, the monetary assets and monetary liabilities as well as the Long Term Loans are translated into rupees at RBI reference rate/exchange rate published through FBIL prevailing at the period end.

Exchange difference arising on repayment of liabilities and conversion of foreign currency closing balances pertaining to long term loans for acquiring ships / containers / other depreciable assets and asset under construction is recognised as follows:

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

b) In respect of long term loans after 31.03.2016, the exchange difference is charged / credited to Statement of Profit & Loss.

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

1.4 Property, plant and equipment

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

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

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

Transition to Ind AS:

On transition to Ind AS -

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

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

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

Depreciation:

Depreciation on all vessels is charged on "Straight Line Method" less residual value. In the case of Liner and Bulk Carrier vessels, the Group has adopted useful life of 25 years as mentioned in Schedule II to the Companies Act, 2013. In case of Tankers & Offshore Vessels, the Group has adopted a useful life of 25 years based on the technical parameters including design life and the past record. . In case of VLGC vessel, the Group has adopted a useful life of 30 years as mentioned in Schedule II to the Companies Act, 2013. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25/30 years from the date of original built.

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

Depreciation on other tangible assets is provided on the straight line basis, over the estimated useful lives of assets as prescribed in the Schedule II of the Act, except in following cases:

1) Solar Plants are depreciated over a period of 25 years based on the technical assessment of useful life.
2) Assets costing individually ₹ 5000/- and below are fully depreciated in the year of acquisition.
3) Furnishing allowances given to Senior Executives are depreciated over a period of 3 years.

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

Retirement and Disposal Of Assets

a) Assets which have been retired from operations for eventual disposal are exhibited separately in the Note No. 11 - Assets classified as held for sale.
b) Anticipated loss, if any, in the disposal of such assets is provided in the accounts for the year in which these have been retired from active use. For the purpose of determining the loss, the sale price is recognised, if contract for sale is concluded. In other cases, assessment of the realisable value is made on the basis of the prevailing market conditions. Losses on such assets are provided for after taking into account the expenses such as customs duty, sales tax / value added tax, GST etc. in connection with the disposal, as well as estimated expenses in maintaining the asset, till its sale. Wherever the exact amount under each item of expenses is not known, an assessment is done on the best estimate basis.
c) Profits on sale of assets are accounted for only upon completion of sale thereof.

1.5 Intangible assets

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

Transition to Ind AS:

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

Amortization

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

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

1.6 Borrowing costs

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

1.7 Impairment of non-financial assets

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

1.8 Inventories

Inventories are valued at cost (as determined on Moving Average/Weighted Average method) or net realisable value, whichever is lower, unless otherwise stated.

Fuel oil purchases are initially booked as stock. The value of year-end stock is arrived at after charging consumption on "moving average /weighted average" method.

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

1.9 Non-current assets held-for-sale

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

1.10 Trade Receivable

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

1.11 Cash and cash equivalents

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

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

1.12 Investments and other financial assets

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

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

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

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

Debt instruments

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

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

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

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

Equity Instruments

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

iii. Derecognition

A financial asset is derecognised only when:

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

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

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

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

iv. Impairment of Financial Assets

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

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

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

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

v. Income recognition

Interest income

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

Dividend

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

1.13 Offsetting Financial instruments

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

1.14 Contributed equity

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

1.15 Financial liabilities

i. Classification as debt or equity

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

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

ii. Initial recognition and measurement

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

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

iii. Subsequent measurement

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

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

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

iv. Derecognition

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

1.16 Income tax

Provision for income tax liability is made as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Group. Provision for income-tax on non- shipping income is made as per the normal provisions of the Income- Tax Act 1961. Minimum alternate tax (MAT) paid in accordance with the tax laws in previous years is recognised as an asset and adjusted against provision for income tax liability of the year in which there is a reasonable certainty which give rise to future economic benefits in the form of tax credit against future income tax liability.

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

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

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

1.17 Employee Benefits

a) Short-term / long term obligations

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

b) Defined contribution plan

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

c) Defined benefit plan

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

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

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

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

1.18 Prior period items

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

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

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

1.19 Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is treated as contingent liability.

Contingent Assets

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

1.20 Revenue Recognition

Revenue Income is recognised in the Statement of Profit and Loss when:

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Group
- Costs relating to the transaction can be measured reliably

Revenue for all businesses is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods and services.

Revenue is recognised when or as performance obligations are satisfied by transferring the promised goods or services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably.

Revenue mainly comprises freight, charter hire and demurrage revenues from the vessels.

Freight - The Group generates revenue from shipping activities. Revenues from vessels are mainly derived from a combination of time charters and voyage charters. Revenue from a voyage charter is recognised over time, which is determined on a percentage of voyage completion method.

Charter-hire - Revenue from a time charter is recognised on a straight-line basis over the period of the charter.

Demurrage revenue - Freight contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. If these conditions are breached, the Group is compensated for the additional time incurred in the form of demurrage revenue. Demurrage revenue is recognised upon delivery of services in accordance with the terms and conditions of the contract. Upon completion of the voyage, the Group assesses the time spent in port, and a demurrage claim based on the relevant contractual conditions is submitted to the charterers. (Further, refer Note No 2 (g) – Demurrage).

Profit from sale of vessels - Revenue from the sale of vessel is recognised upon the transfer of control to the buyer.

Cost of services rendered includes port expenses, bunkers (Fuel Oil), commissions, hire of chartered steamers, stores, spares, repair and maintenance expenses, Insurance expenses etc.

Employee Benefit Expenses - Operating expenses, which comprise of shore staff & floating staff expenses.

Financial expenses - Financial expenses comprise interest expenses.

Other expenses – Other expenses which comprise office expenses, provisions, managements cost and other expenses relating to administration.

1.21 Insurance, P&I and Other Claims

(a) Provision in respect of claims against the Group is made as under:-

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

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

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

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

ii. Claims against the underwriters are initially accounted for based on the admission of the claims liability by the underwriters. The final adjustment in the recoverable amount is done on submission of the Adjuster's report to the underwriters which reflect the exact recoverable amount from the underwriters

(c) Claims made by the Group against other parties not covered under insurance including ship repair yards, ship-owners, ship charterers, customs and others, etc. are recognised on realisation, due to uncertainty in the amounts of their ultimate recovery

1.22 Leases

Operating lease

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

1.23 Segment Reporting

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

1.24 Earnings per share

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

1.25 Cash flow statement

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

1.26 Government Grants

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

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

Note 2: Critical Accounting Estimates and Judgements

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

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

a) Useful lives of vessels

Management of the Group decided the estimated useful lives of vessels and respective depreciation. The accounting estimate is based on the expected wears and tears. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of fixed assets. [Further Refer Note No 41 (a) & 41 (b)]

b) Residual Value

Residual value is considered as 5% of original cost of Vessel. In case of other assets, the residual value, being negligible, has been considered as nil. The residual value of vessels is reviewed every year on 31st March. On the basis of review of residual value of vessels as on 31st March 2019, 2 PSV and 4 AHTS vessels are estimated to be having scrap value less than 5% of original cost. Therefore, residual value of 2 PSV and 4 AHTS vessels is reduced to approximately 4 %. [Refer Note No. 41 (c)]

c) Impairment of assets

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

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

d) Defined benefit obligations

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

Discount Rate for the valuation is determined by reference to market yields at the balance sheet date on Government Bonds. This is the rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations

e) Provision

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

f) Impairment of Trade Receivable

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

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

g) Demurrage

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

h) Income Tax

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Freehold Land	Build-ings	Ownership Flats & Residential Buildings	Fleet*	Fleet Drydock	Own-ership Con-tainer	Furniture, Fittings & Equip-ments	Moter Vehi-cles	Total
Net carrying amount (31 March 2017)	**237,630**	**1,055**	**130**	**874,789**	**26,538**	**-**	**920**	**-**	**1,141,062**
Year ended 31 March 2018									
Gross carrying amount									
Opening gross carrying amount (31 March 2017)	237,630	1,107	140	1,306,182	46,704	-	1,511	8	1,593,282
Additions	-	-	-	48,292	15,477	-	170	-	63,939
Disposals	-	-	-	(61,798)	(875)	-	-	-	(62,673)
Transfer	-	-	-	-	2,733	-	-	-	2,733
Closing gross carrying amount (31 March 2018)	**237,630**	**1,107**	**140**	**1,292,676**	**64,039**	**-**	**1,681**	**8**	**1,597,281**
Accumulated depreciation									
Opening accumulated depreciation (31 March 2017)	-	52	10	431,393	20,166	-	591	8	452,220
Depreciation charge during the year	-	28	5	46,207	14,517	-	257	-	61,014
Disposals	-	-	-	(50,300)	(401)	-	-	-	(50,701)
Closing accumulated depreciation (31 March 2018)	**-**	**80**	**15**	**427,300**	**34,282**	**-**	**848**	**8**	**462,533**
Net carrying amount (31 March 2018)	**237,630**	**1,027**	**125**	**865,376**	**29,757**	**-**	**833**	**-**	**1,134,748**
Year ended 31 March 2019									
Gross carrying amount									
Opening gross carrying amount (31 March 2018)	237,630	1,107	140	1,292,676	64,039	-	1,681	8	1,597,281
Additions	-	-	-	21,128	25,158	-	267	10	46,563
Assets classified as held for sale (Note 11)	-	-	-	(97)	-	-	-	-	(97)
Disposals	-	-	-	(82,088)	(4,571)	-	-	-	(86,659)
Transfer	-	-	-	-	781	-	-	-	781
Closing gross carrying amount (31 March 2019)	**237,630**	**1,107**	**140**	**1,231,619**	**85,407**	**-**	**1,948**	**18**	**1,557,869**
Accumulated depreciation									
Opening gross carrying amount (31 March 2018)	-	80	15	427,300	34,282	-	848	8	462,533
Depreciation charge during the year	-	28	5	47,787	17,689	-	250	1	65,760
Assets classified as held for sale (Note 11)	-	-	-	(16)	-	-	-	-	(16)
Disposals	-	-	-	(77,994)	(4,070)	-	-	-	(82,064)
Closing accumulated depreciation (31 March 2019)	**-**	**108**	**20**	**397,077**	**47,901**	**-**	**1,098**	**9**	**446,213**
Net carrying amount (31 March 2019)	**237,630**	**999**	**120**	**834,542**	**37,506**	**-**	**850**	**9**	**1,111,656**

Notes

(1) Additions to Fleet include ₹ 19743 Lakhs (Previous year ₹ 76 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy of foreign currency translation.

(2) Buildings include cost of Shipping House at Mumbai ₹ 134 lakhs (31st March 2018, ₹ 134 lakhs) which is on leasehold land wherein the value of lease is considered at ₹ 1.

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

(4) *Refer Note no. 35 for Fleet pledged with banks for Borrowings.

(5) the Gross carrying amount of significant property, plant and equipment which are fully depreciated and are still in use as on 31st March 2019 are as follows:- Fleet - ₹ 56003 lakhs (MT Ankleshwar - ₹ 27666 lakhs & MT Maharaja Agrasen - ₹ 28337 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Capital Work-in-Progress

Particulars	As at April 1, 2017	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2018	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2019
(A) Construction Work in Progress							
Asset under Construction excluding advance	2,733	781	2733	781	763	781	763
(B) Construction Period Expenses							
a. Interest	-	-	-	-	-	-	-
b. Other directly attributable expenses	-	-	-	-	-	-	-
c. Exchange fluctuation	-	-	-	-	-	-	-
Total (A+B)	**2,733**	**781**	**2,733**	**781**	**763**	**781**	**763**

Note 5 : Intangible assets

Particulars	Computer Software	Total
Closing net carrying amount (31 March 2017)	**6**	**6**
Year ended 31 March 2018		
Gross carrying amount		
Opening gross carrying amount (31 March 2017)	1,279	1,279
Additions	57	57
Closing gross carrying amount (31 March 2018)	**1,336**	**1,336**
Accumulated amortisation		
Opening accumulated amortisation (31 March 2017)	1,273	1,273
Amortisation charge for the year	11	11
Closing accumulated amortisation (31 March 2018)	**1,284**	**1,284**
Closing net carrying amount (31 March 2018)	**52**	**52**
Year ended 31 March 2019		
Gross carrying amount		
Opening gross carrying amount (31 March 2018)	1,336	1,336
Additions	287	287
Closing gross carrying amount (31 March 2019)	**1,623**	**1,623**
Accumulated amortisation		
Opening accumulated amortisation (31 March 2018)	1,284	1,284
Amortisation charge for the year	86	86
Closing accumulated amortisation (31 March 2019)	**1,370**	**1,370**
Closing net carrying amount (31 March 2019)	**253**	**253**

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

Particulars	Face value	31 March 2019		31 March 2018	
		No.of shares/Units	Rupees in lakhs	No.of shares/Units	Rupees in lakhs
Investment in equity instruments (fully paid-up)					
Unquoted					
In Joint Venture					
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 1) Ltd.	€ 2.33	2908	**9,930**	2908	7,427
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.	€ 2.33	2908	**9,909**	2908	7,212
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.	$ 1	2600	**-**	2600	-
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Ltd.	$ 1	11036558	**7,732**	11036558	6,501
Total (equity instrument)			**27,571**		**21,139**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(A) India LNG Transport Companies No. 1 & 2 Ltd. are two joint venture companies promoted by the Corporation and three Japanese companies Viz. M/S Mitsui O.S.K.lines Ltd. (MOL), M/S Nippon Yusen Kabushiki Kaisha Ltd (NYK Lines) and M/S Kawasaki Kisen Kaisha Ltd (K Line) along with M/S Qatar Shipping Company (Q Ship), Qatar. SCI and MOL are the largest shareholders, each holding 29.08% shares while NYK Line 17.89%, K Line 8.95% & Q Ship holds 15% respectively. The Shares held by the Corporation and other partners in the two joint venture Companies have been pledged against loans provided by lender banks to these companies. India LNG Transport Company No.1 Ltd owns and operates one LNG Carrier Disha and India LNG Transport Company No. 2 Ltd owns and operates one LNG Carrier Raahi.

(B) India LNG Transport Company No. 3 Ltd. is the 3rd joint venture company which owns and operates one LNG Carrier Aseem. The company is promoted by the Corporation and three Japanese partners viz. MOL, NYK Lines, K Line along with M/S Qatar Gas Transport Company (QGTC), Qatar and M/s Petronet LNG Limited (PLL), India who are the other partners. SCI and MOL are the largest shareholders with 26% share each, while NYK, K Line, QGTC and PLL hold 16.67%, 8.33%, 20% and 3% respectively. The Shares held by the Corporation and other partners in the joint venture company have been pledged against loans provided by lender banks to this company.

(D) India LNG Transport Company (No. 4) Pvt. Ltd. is the 4th Joint Venture Company is promoted by the Corporation and three Japanese partners viz NYK, MOL and K Line along with PLL, India. SCI, NYK and PLL are the largest shareholders with 26% share each, while MOL and Kline hold 15.67% and 6.33% respectively. The Shares held by the Corporation and other partners in the joint venture company have been pledged against loans provided by lender banks to this company. India LNG Transport Company (No. 4) Pvt. Ltd owns and operates one LNG Carrier Prachi.

Note 6: Financial assets

Note 6 (a): Non-current investments

Particulars	Face value	31 March 2019		31 March 2018	
		No. of shares/Units	Rupees in lakhs	No. of shares/Units	Rupees in lakhs
Investment in equity instruments (fully paid-up)					
Unquoted					
Investment carried at fair value through Profit or loss					
5,00,00,000 (Prev. yr. 5,00,00,000) Ordinary Shares of ₹ 10 each fully paid of Sethusamudram Corp. Ltd.	₹ 10	50000000	5000	50000000	5000
Less: Loss allowance			5000		5000
			-		-
3438 Equity Shares of ₹ 20/- each of Scindia Steam Navigation Company Ltd., fully paid (₹ 0.30 lakhs ; Prev. yr. Rs 0.30 lakhs)	₹ 20	3438	-	3438	-
Less: Loss allowance			-		-
			-		-
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd. (Prev. yr. 60,000)	₹ 10	60000	350	60000	118
Total (equity instruments)			**350**		**118**
Total non-current investments			**350**		**118**
Aggregate amount of unquoted investments			5,350		5,118
Aggregate amount of impairment in the value of investments			5,000		5,000
Investments carried at fair value through Profit and Loss			350		118

Sethusamudram Corporation Ltd. (SCL), a Special Purpose Vehicle was incorporated on 06.12.2004 for developing the Sethusamudram Channel Project with Tuticorin Port Trust, Ennore Port Ltd, Visakhapatnam Port trust, Chennai Port Trust, Dredging Corporation of India Ltd., Shipping Corporation of India Ltd. and Paradip Port Trust as the shareholders. SCI participated with an investment of ₹ 5000 lakhs (previous year ₹ 5000 lakhs). The dredging work is suspended from 17.09.2009 consequent upon the direction of the Hon'ble Supreme Court of India. As there is no progress in the project since then, the Management had provided for diminution towards the investment in FY 2012-13.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 6(b): Loans

Particulars	31 March 2019		31 March 2018	
	Current	Non-Current	Current	Non-Current
Considered good - Secured				
Loans to employees	347	1,562	316	1,573
Considered good - Unsecured				
Loans to related parties*	22,034	-	23,302	-
Security Deposits	-	474	-	312
Total loans	**22,381**	**2,036**	**23,618**	**1,885**

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

Note 6(c): Other financial assets

Particulars	March 2019		31 March 2018	
	Current	Non-Current	Current	Non-Current
Financial Assets carried at amortised cost				
Advances recoverable in cash				
- From Related Parties (Refer Note no. 30 for details)				
Interest Receivable	302	-	101	-
Bank deposits with more than 12 months maturity				
- Term Deposits	-	-	-	87
Income accrued on deposits/investments	2,985	-	2,514	-
Claim Recoverable	11,060	-	2,655	-
Unbilled Revenue (Contract Asset) (Refer Note no. 33 for details)	33,968	-	26,597	-
Less: Provision for doubtful debts	(650)	-	-	-
	33,318	-	26,597	-
Others	1	7	1	4
Total other financial assets	**47,666**	**7**	**31,868**	**91**

6(d): Current investments

Particulars	Face value	31 March 2019		31 March 2018	
		No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs
Investment carried at fair value through profit or loss					
Unquoted					
(a) Investment in equity instruments (fully paid-up)					
295,029 (Prev. yr. 295,029) shares of 1 USD each fully paid of ISI Maritime Ltd. (Shares are received as a gift from Irano-Hind Shipping Co. Ltd.)	$ 1	295,029	-	295,029	-
500 (Prev.yr.500) shares of Rs 10 each fully paid up of Jaladhi Shipping Services (India) Pvt. Ltd. (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)	₹ 10	500	-	500	-
16 (Prev.yr.16) shares of USD 1 each fully paid up of BIIS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)*	$ 1	16	-	16	-
Total(Equity instruments)			-		-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Face value	31 March 2019		31 March 2018	
		No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs
(b) Investments in Mutual Funds					
5,59,179.690 Units of IDBI Mutual Fund - LFD1-IDBI Liquid Fund - Direct Plan-Daily Dividend		-	-	559,179.69	5,605
Total (mutual funds)		**-**	**-**	**-**	**5,605**
Total current investments			**-**		**5,605**
Aggregate amount of quoted investments and market value thereof			-		-
Aggregate amount of unquoted investments			-		5,605
Aggregate amount of impairment in the value of investments			-		-
Investments carried at fair value through Profit and Loss			**-**		**5,605**

* Shares have pledged to banks against loans given by them

Note 6(e): Trade receivables

Particulars	31 March 2019	31 March 2018
Trade Receivable*	85,515	94,920
Less: Allowance for doubtful debts	25,623	28,656
Total receivables	**59,892**	**66,264**
Current Portion	59,892	66,264
Non Current Portion	-	-

Break up of above details

Particulars	31 March 2019	31 March 2018
Considered good - Secured	8,474	7,819
Considered good - Unsecured	52,473	58,303
Trade Receivables which have significant increase in Credit Risk	20,962	24,950
Trade Receivables - credit impaired	3,606	3,849
Total	**85,515**	**94,921**
Allowance for doubtful debts	25,623	28,656
Total trade Receivables	**59,892**	**66,265**

*Significant Receivables from related parties (refer note no. 30)

Note 6(f): Cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	5,995	3,030
- in current account with repatriation restrictions	-	10
- in deposits account with original maturity of less than three months	3,543	21,139
Total cash and cash equivalents	**9,538**	**24,179**

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

Particulars	31 March 2018	31 March 2017
Earmarked Balance with Bank towards unpaid dividend	-	20
Margin money for Bank Guarantee	257	14
Other Deposits with banks*	90,025	86,923
Total Bank balances other than cash and cash equivalents	**90,282**	**86,957**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

*Refer Note no. 35 for Deposits pledged with banks for Borrowings
*Fixed deposit includes unutilised funds of FPO as on 31st March 2019 is ₹ 13385 lakhs (as on 31st March 2018 is ₹ 13385 lakhs)

Note 7: Income Tax Assets (net)

Particulars	31 March 2019	31 March 2018
Income Tax Assets(Net) *	12,054	14,879
Total Income Tax Assets(Net)	**12,054**	**14,879**

* Refer Note no. 29 for further details.

Note 8: Other assets

Particulars	31 March 2019		31 March 2018	
	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances				
Advances to Employees				
i) Secured, Considered Good	-	-	-	-
ii) Unsecured, Considered Good	225	-	125	-
	225	-	125	-
Advances to Others				
i) Unsecured, Considered Good	9,792	-	5,910	-
ii) Unsecured, Considered Doubtful	1,738	-	1,697	-
	11,530	-	7,607	-
Less : Provision for Doubtful Advances	1,738	-	1,697	-
	9,792	-	5,910	-
(b) Others				
Excess - Gratuity Fund	-	3,265	-	3,243
Balances with statutory authorities				
- Cenvat Credit Receivables	95	-	91	-
- Service tax paid under Protest	-	3,100	-	3,100
- Advance Service Tax	-	-	198	-
- GST Receivable	11,018	-	12,141	-
-Predeposit with Income Tax Department	-	974	-	851
	11,113	4,074	12,430	3,951
MAT Credit				
Opening	-	-	-	-
Add : Credit during the year	1,134	-	-	-
Less : MAT Credit Availed	-	-	-	-
	1,134	-	-	-
Subsidy for Passenger service (Myanmar)*	467	-	467	-
Less : Provision for Doubtful Advances	467	-	467	-
	-	-	-	-
Prepaid Expenses	639	-	372	-
Others	1	841	1	727
Total other assets	**22,904**	**8,180**	**18,838**	**7,921**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 9: Current Tax Assets (Net)

Particulars	31 March 2019	31 March 2018
Current Tax Assets	3,508	-
Current Tax Assets (Net)	**3,508**	**-**

Note 10: Inventories

Particulars	31 March 2019	31 March 2018
Fuel Oil	15,979	11,653
Total inventories	**15,979**	**11,653**

Note 11: Assets classified as held for sale

Particulars	31 March 2019	31 March 2018
Fleet and Container held for Sale	95	21
Less: Impairment loss allowance	95	-
	-	21
Investment held for Sale		
1,00,000 (Prev.yr.1,00,000) shares of ₹ 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.	7	7
Irano Hind Shipping Co. Ltd.	39	39
Less: Impairment loss allowance	39	39
	-	-
Advance to Irano Hind Shipping Co. Ltd.	23	23
Less: Provision for Doubtful advances	23	23
	-	-
Total assets held for sale	**7**	**28**

a) The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano Hind Shipping Company (IHSC) and splitting the assets/liabilities of IHSC between Joint Venture partners shall be undertaken. The Company holds 49% in IHSC, a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). Substantive efforts are made to eventually dissolve the JV which is depending on geo political environment and sanctions imposed by UN which is completely beyond SCI's control. SCI shall remain committed by the decision of cabinet and therefore is making all efforts for dissolution of JV. Further, Government of India vide letter dated 08th May 2018 has advised SCI to go ahead with the dissolution of IHSC. Under Ind AS, investment in Irano Hind has been written off during FY 16-17 to reflect its fair value.

b) The Group entered into a joint venture agreement with Steel Authority of India Ltd. with participation interest in the ratio of 50:50 and promoted a jointly controlled entity SAIL SCI Shipping Pvt. Ltd. (SSSPL). The said company was incorporated on 19.05.2010 with an authorised share capital of ₹ 1000 lakhs. The Company has subscribed equity capital of 100000 shares of ₹ 10 each amounting to ₹10 lakhs. It has been decided by the joint venture partners to wind up this company.

Non-recurring fair value measurements

Investments classified as held for sale during the reporting period is measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of ₹ 42 (Previous year ₹ 3) as impairment loss in the statement of profit and loss in FY 2016-17 . The fair value of the investments were determined using the book value approach. This is a level 3 measurement as per the fair value hierarchy as set out in fair value measurement disclosures (refer note no. 37).

(All amounts in INR lakhs, unless otherwise stated)

Note 12: Equity Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
1,00,00,00,000 [31 March 2018: 1,00,00,00,000] Equity Shares of ₹ 10 each	100,000	100,000
Issued, subscribed and fully paid up		
46,57,99,010 [31 March 2018: 46,57,99,010] Equity Shares of ₹ 10 each	46,580	46,580
	46,580	**46,580**

a) Reconciliation of number of shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	465,799,010	4,657,990,100	465,799,010	4,657,990,100
Add: Bonus shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance as at the end of the year	**465,799,010**	**4,657,990,100**	**465,799,010**	**4,657,990,100**

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of share holding	Number of shares	% of share holding
Equity Shares :				
1. President of India	296,942,977	63.75	296,942,977	63.75
2. Life Insurance Corporation of India	55,473,797	11.91	63,518,884	13.64
	352,416,774	**75.66**	**360,461,861**	**77.39**

c) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back.

d) **Rights/Preference/Restriction attached to Equity Shares:**
The Group 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 Group, the holder of equity shares will be entitled to receive the remaining assets of the Group after distribution of all preferential allotment in proportion to their shareholding. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting."

e) The Group does not have holding Group.

f) There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 13: Other Equity

Surplus

Particulars	31 March 2019	31 March 2018
(i) Capital reserve	15,205	15,205
(ii) Securities premium	52,177	52,177
(iii) General reserve	553,527	553,527
(iv) Tonnage Tax Reserve	-	-
(v) Tonnage Tax Reserve Utilised	-	-
(vi) Retained Earnings	52,032	57,734
Total surplus	**672,941**	**678,643**

(i) Capital reserve

Particulars	31 March 2019	31 March 2018
Opening balance	15,205	14,298
Add: Transfer from Retained Earnings	-	907
Less: Transferred to general reserve	-	-
Closing Balance	**15,205**	**15,205**

(ii) Securities premium account

Particulars	31 March 2019	31 March 2018
Opening balance	52,177	52,177
Add: Premium on shares held in trust for employees under ESOS Scheme	-	-
Add: Liability pertaining to share issue expenses no longer required written back	-	-
Closing Balance	**52,177**	**52,177**

(iii) General reserve

Particulars	31 March 2019	31 March 2018
Opening balance	553,527	552,777
Add: Transfer from Tonnage Tax Reserve (Utilised)	-	750
Closing Balance	**553,527**	**553,527**

(iv) Tonnage Tax Reserve

Particulars	31 March 2019	31 March 2018
Opening balance	-	750
Less: Transfer to Tonnage Tax Reserve (Utilised)	-	750
Closing Balance	**-**	**-**

(v) Tonnage Tax Reserve (Utilised)

Particulars	31 March 2019	31 March 2018
Opening balance	-	-
Add: Transfer from Tonnage Tax Reserve	-	750
Less: Transfer to General Reserve	-	750
Closing Balance	**-**	**-**

(All amounts in INR lakhs, unless otherwise stated)

(vi) Retained Earnings

Particulars	31 March 2019	31 March 2018
Opening balance	57,734	26,888
Add: Profit/(Loss) for the year	(12,198)	25,375
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	564	1,103
Share of profits of associates and joint ventures, net of tax	5,932	5,275
Adjustments:		
Less: Capital Reserve	-	907
Closing Balance	**52,032**	**57,734**

Note 13(a): Other Surplus

Particulars	Cash Flow Hedging Reserve	Foreign currency translation reserve	Total other reserves
As at 1 April 2017	(3,451)	(499)	(3,950)
Share of OCI of associates and joint ventures, net of tax	2,155	-	2,155
Currency translation differences	-	97	97
As at 31 March 2018	**(1,296)**	**(402)**	**(1,698)**
Share of OCI of associates and joint ventures, net of tax	(790)	-	(790)
Currency translation differences	-	1,289	1,289
As at 31 March 2019	**(2,086)**	**887**	**(1,199)**

Nature and Purpose of other reserves

Capital Reserve: The amount of sales proceeds in excess of original cost of ships sold by the Group. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

General Reserve: General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Tonnage Tax Reserve/Tonnage Tax Reserve (Utilised): 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

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Note 14(a): Long-term borrowings

Particulars		31 March 2019		31 March 2018	
		Non Current	Current*	Non Current	Current*
Secured					
Term Loans:					
Rupee loans from banks	A	-	-	-	-
Foreign currency loans from banks	B	200,788	95,580	278,622	100,439
Total	C	**200,788**	**95,580**	**278,622**	**100,439**
Unsecured					
Term Loans:					
Rupee loans from banks	A	-	-	-	-
Foreign currency loans from banks	B	51,878	20,751	52,035	-
Total	C	**51,878**	**20,751**	**52,035**	**-**
Long-term borrowings		**252,666**	**116,331**	**330,657**	**100,439**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	98,793	35,458	17,916	48,621

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Unsecured Loans	-	5,558	7,411	38,909

* Represents current maturities of Long term borrowings included in "Financial Other Current Liabilities

The carrying amounts of financial and non-financial assets pledged as security are disclosed in note no. 35.

Note 14(b): Other financial liabilities

Particulars	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non-Current
Financial Liablilities at amortised cost				
Security Deposits	773	41	627	94
Current maturities of long-term debt	116,331	-	100,439	-
Interest accrued but not due on borrowings	3,939	-	3,236	-
Unpaid Dividend	-	-	20	-
Others				
Other Deposits payable	357	-	1,898	-
Employee related Liabilities	4,994	-	7,629	-
Others	1,748	-	1,822	-
Total other financial liabilities	**128,142**	**41**	**115,671**	**94**

Note 14(c): Current borrowings

Particulars	31 March 2019	31 March 2018
Unsecured		
from Banks repayable on demand		
Rupee loans from banks	-	-
Foreign currency loans from banks	158,748	127,441
Total current borrowings	**158,748**	**127,441**

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

Particulars	Liabilities from Financing Activities		
	Long Term borrowings	Short Term borrowings	Total
Net debt as at 1st April 2018	434,332	127,441	561,773
Cash flows	(92,939)	29,898	(63,041)
Foreign Exchange adjustments	30,841	1,409	32,250
Interest expense	19,416	5,170	24,586
Interest Paid	(18,713)	(5,170)	(23,883)
Net debt as at 31st March 2019	**372,936**	**158,748**	**531,685**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 14(d): Trade payables

Particulars	31 March 2019	31 March 2018
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises; and	545	2,579
(b) total outstanding dues of creditors other than micro enterprises and small enterprises*	127,075	95,787
Total trade payables	**127,620**	**98,366**

* Significant Payable from related parties (refer note no. 30)

Disclosure requirement under MSMED Act, 2006

Particulars	31 March 2019	31 March 2018
(a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year;	545	2,579
(ii)the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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 Group

Note 15: Provisions

Particulars	31 March 2019		31 March 2018	
	Current	Non-Current	Current	Non-Current
Employee Benefit Obligations				
Provision for leave encashment	360	5,483	453	4,828
Post Retirement Medical Scheme	-	4,290	-	4,176
	360	**9,773**	**453**	**9,004**
Other Provisions				
Insurance & cargo claims*	531	-	479	-
	531	**-**	**479**	**-**
Total	**891**	**9,773**	**932**	**9,004**

Short term provision	As at 31st March 2018	Provided during the year	Utilised during the year	Amount reversed	As at 31st March 2019
Other Provisions					
Insurance & cargo claims*	479	580	528	-	531
	479	**580**	**528**	**-**	**531**

* Represents provision of amount payable/borne by the Group against Insurance & cargo claims.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 16: Deferred Tax Liabilities

Particulars	31 March 2019	31 March 2018
Deferred tax -upward valuation of PPE	9,073	10,395
Deferred tax -upward valuation of Financial Asset	80	-
Deferred Tax Liabilities(Net)	**9,153**	**10,395**

Note 17: Other current liabilities

Particulars	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non-Current
Deferred Trade Receivable	688	-	1,894	-
Advances and Deposits	5,466	-	10,773	-
Others				
Employee Related Liabilities	-	-	-	-
Statutory dues	947	-	635	-
Others Current Liabilities	42	-	25	-
Subsidy for Bangladesh-Myanmar & Srilanka*	2,024	-	1,932	-
Total other current liabilities	**9,167**	**-**	**15,259**	**-**

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

Informatively, Interest income on the grant of ₹ 92.11 Lakhs is also included for the period 1st April 18 to 31st March 2019 and Interest income on the grant of ₹ 31.61 Lakhs is also included for the period 22nd Nov 2017 to 31st March 2018. (Further refer note no. 43)

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

Particulars	31 March 2019	31 March 2018
Other current liabilities	20,504	19,280
Total Liabilities of disposal held for sale	**20,504**	**19,280**

Note 19: Revenue from operations

Particulars	31 March 2019	31 March 2018
Freight	286,639	239,901
Charter Hire	69,211	65,355
Demurrage	14,508	13,759
Contract Revenue:		
Core shipping activities	376	266
Incidental activities	6,441	5,699
Reimbursement of Expenses	10,298	12,091
Total	**387,473**	**337,071**

Note 20: Other Operating Revenue

Particulars	31 March 2019	31 March 2018
Training & Consultancy fee	1,975	2,702
Sundry Receipts (Core)	1	367
Sundry Receipts (Incidental)	43	71
Excess Provisions & Unclaimed Credit Written Back	1,400	4,500
Recovery of Insurance & PI Claims	1,694	2,236
Total	**5,113**	**9,876**

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

Note 21: Other Income

Particulars	31 March 2019	31 March 2018
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	6,340	5,433
b) Loans to Employees	165	171
c) Loans to Joint Venture (Refer Note no. 30)	1,662	1,674
d) Others	879	1,352
Dividend From Mutual Fund	287	205
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	11,392	5,112
b) Sale of Other Fixed Assets	3	38
Profit on sale of bunker	457	181
Gain or Loss on Fair valuation of investment	232	19
Provision written back	378	546
Other Miscellaneous Income	29	69
Total	**21,824**	**14,800**

Note 22: Cost of services rendered

Particulars	31 March 2019	31 March 2018
Direct Operating Expenses :		
Agency Fees	1,281	1,717
Brokerage	2,286	2,483
Commission	379	827
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses on Joint Sector Container Services (Net)	16,906	18,036
Marine, Light And Canal Dues	42,543	43,557
Fuel Oil (Net)	110,212	85,712
Water Charges	440	625
Manning expenses	1,028	2,822
Honorarium and Training expenses	603	596
Hire of Chartered Steamers	39,499	23,955
Other Indirect Operating Expenses		
Transfer and Repatriation and Other Benefits	170	158
Stores & Spares *	18,714	16,184
Sundry Steamer Expenses	3,526	2,233
Repairs and Maintenance and Survey Expenses	13,678	15,449
Insurance and Protection , Indemnity Club Fees & Insurance Franchise	5,932	6,365
Provision for Off Hire Etc.	-	1,662
Total	**257,197**	**222,381**

*Includes amount of ₹ 803 lakhs (Previous Year ₹ 1106 lakhs) towards Served from India Scheme (SFIS).Under SFIS, Scrips received are utilised against the custom duty liability & SFIS scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

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

Note 23: Employee benefit expense

Particulars	31 March 2019	31 March 2018
A) Floating staff		
Wages, Bonus and Other Expenses on Floating Staff	25,589	26,583
Gratuity	557	247
Contribution to Provident Fund	301	339
B) Shore Staff		
Salaries, Wages, Bonus etc*	16,419	16,017
Gratuity	45	3,078
Contribution to Provident Funds	1,067	1,035
Contribution to Pension	1,026	1,032
C) Staff welfare expenses	-	21
D) Remuneration to Directors	240	240
Total	**45,244**	**48,592**

* Includes amount of ₹ 94.07 lakhs (Previous Year ₹ 109.80 lakhs) amortisation of deferred employee cost as employee loans are measured at amortised cost.

Note 24: Finance costs

Particulars	31 March 2019	31 March 2018
Interest on:		
- Rupee loans	20	658
- Foreign currency loans	23,323	15,910
Other borrowing costs	1,243	1,411
Total	**24,586**	**17,979**

* Includes amount of ₹ 1087.18 lakhs (Previous Year ₹ 1259.19 lakhs) amortisation of upfront fee for borrowings taken over the tenure of the borrowing by applying the effective interest rate method.

Note 25: Depreciation and amortisation expense

Particulars	31 March 2019	31 March 2018
Depreciation on Property, plant and equipment	65,760	61,014
Amortisation of Intangible Assets	86	11
Total	**65,846**	**61,025**

Note 26: Other expenses

Particulars	31 March 2019	31 March 2018
Power & Fuel	379	439
Rent	267	269
Repairs and Maintenance		
- Building	543	639
- Others	1,433	1,293
Insurance, Rates and Taxes	87	199
Auditors' Remuneration (Detail in Note no. 26(a))	68	65
Establishment Charges	1,843	1,940
Advertisement & Publicity	90	97
Legal & professional	385	1,012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
Postage,Telephone Telegram & Telex*	126	(71)
Printing & stationery	113	130
Training, Seminar & Conference Fee	12	27
Travel & Conveyance	474	270
Directors' Sitting Fees	21	13
Directors' Travel Expenses	32	29
Debts / Advances written off	986	525
Interest and Penalties	4	3
Bank Charges	263	32
Service tax ineligible for CENVAT	-	389
GST ineligible ITC	61	-
CSR Expenditure (Detail in Note no. 26(b))	582	311
Net loss on Foreign Currency Transaction / Translation	17,722	187
Loss of Asset (Detail in Note no. 40)	-	486
Provisions		
Provision for Doubtful Debts and Advances	3,195	511
Foreign Taxation	49	27
Write off of Fixed Assets	191	-
Provision of Asset held for sale	95	-
Total	**29,021**	**8,822**

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

Note 26(a): Details of payments to auditors

Particulars	31 March 2019	31 March 2018
Payment to auditors		
Statutory auditors		
a) Audit fees	32	32
b) Certification Work	32	29
c) Travelling & Out of Pocket Expenses	4	4
Total	**68**	**65**

Note 26(b): Corporate social responsibility expenditure

31 March 2019

Particulars	Total
Gross amount required to be spent by the Company during the year	420
Amount spent and paid during the year on	
(a) Construction/acquisition of any asset	12
(b) On purpose other than (a) above	190
Total	**202**

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

31 March 2018

Particulars	Total
(i) Gross amount required to be spent by the Company during the year	585
(ii) Amount spent and paid during the year on	
(a) Construction/acquisition of any asset	242
(b) On purpose other than (a) above	291
Total	**533**

Note 27: Earnings per share

Particulars	31 March 2019	31 March 2018
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the Group (A)	(6,266)	30,650
Basic and Diluted earnings per share attributable to the equity holders of the Group (A/B) (in ₹)	(1.35)	6.58

Particulars	31 March 2019 No. of shares	31 March 2018 No. of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (B)	465,799,010	465,799,010

Note 28: Contingent Liabilities And Commitments
(a) Contingent Liabilities

	Particulars	As at 31st March, 2019	As at 31st March, 2018
I.	**Claims against the company not acknowledged as debts**		
	a) State Governments/ Local Authorities	1,835	1,471
	b) CPSEs	1,402	1,348
	c) Central Government Departments		
	a) Income Tax & Sales Tax	25,080	25,522
	b) Service Tax	162,964	163,072
	c) Others	-	-
	d) Others	21,238	21,437
II.	**Guarantees given by the Banks**		
	On behalf of the company	3,047	2,333
	On behalf of Joint Venture to the extent of the company's share	4,954	4,659
III.	**Undertaking cum Indemnity given by Company**	6,516	nil
IV.	**Bonds/Undertakings given by the Company to Customs Authorities**	34,838	40,329
VI.	**Corporate Guarantees/Undertakings**		
	a) In respect of Joint ventures	nil	nil
	b) Others	4,432	4,288

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

(b) Contingent Assets

	Particulars	As at 31st March, 2019	As at 31st March, 2018
I.	**Claims by the Company not acknowledged as asset**		
	a) State Governments/ Local Authorities	nil	nil
	b) CPSEs	nil	nil
	c) Central Government Departments	150	150
	d) Others	545	545

(c) Commitments

	Particulars	As at 31st March, 2019	As at 31st March, 2018
I.	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	3,837	1,656
II.	Uncalled liability on shares and other investments partly paid	nil	nil
III.	Other Commitments in the form of equity share with JVS	nil	nil

Note: Status of Contingent Liabilty with reference to the opening balance as on 01-04-2018

There is a reduction of ₹ 550 lakhs from opening balance in cases of Central Government Departments

There is nil reduction from opening balance in cases of CPSE

There is nil reduction from opening balance in cases of Local Authority

There is a reduction of ₹ 716 lakhs from opening balance in cases of others

The contingent Liability includes cases decided in favour of SCI amounting to ₹ 14800 lakhs. Thereafter, department have gone in appeal.

Note 29: Income taxes

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(a) Deferred Tax

Particulars	31 March 2019	31 March 2018
Deferred tax relates to the following:		
Upward fair valuation of PPE	9,073	10,395
Deferred tax -upward valuation of Financial Asset	80	-
Net Deferred Tax Liabilities	**9,153**	**10,395**

Reason for decrease in Deferred Tax Liability(DTL)

As per the requirement of section 55(2)(b)(i) of Income Tax Act,1961 "where the capital asset became the property of the assessee before the [1st day of April, [2001]], means the cost of acquisition of the asset to the assessee or the fair market value of the asset on the [1st day of April, [2001]], at the option of the assessee".

Accordingly, SCI has opted to choose the fair market value of the asset as on 01.04.2001 as its cost of acquisition which has resulted into decrease in capital gain tax liability.

(b) Movement in deferred tax liabilities

Particulars	31 March 2019	31 March 2018
Opening balance as of April 1	10,395	38,822
Tax income/expense during the period recognised in profit or loss	(1,242)	(28,427)
Closing balance as at March 31	**9,153**	**10,395**

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

(c) Income tax recognised in profit or loss

Particulars	31 March 2019	31 March 2018
Income tax expense		
Current tax		
Current tax on profits for the year	7,090	6,000
Deferred tax	(1,242)	(28,427)
MAT Credit Entitlement	(1,134)	-
Income tax expense	**4,714**	**(22,427)**

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

Particulars	31 March 2019	31 March 2018
Profit before income tax expense (Standalone)	(7,484)	2,948
Less: Income subject to tonnage taxation	(33,239)	(15,481)
Profit before tax, adjusted	**25,755**	**18,429**
Tax computed using applicable statutory tax rate	5,550	6,378
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of tonnage tax scheme	-	1,053
Difference in tax gains and book gains (Capital gains)	-	(1,769)
Difference on a/c of Ind AS adoption	1,595	-
Exempt income - Dividend from mutual funds	(62)	(71)
MAT Credit Entitlement	(1,134)	-
Reversal of Deferred Tax Liability	(1,242)	(28,427)
Others	7	409
Income tax expense	**4,714**	**(22,427)**

Basis of applicable tax rate :

Normal Tax rate	18.50%	30%
Surcharge	12%	12%
Health and Education Cess	4%	3%
Applicable Tax rate	**21.55%**	**34.61%**

(e) Current tax liabilities

Particulars	31 March 2019	31 March 2018
Opening balance	-	-
Add: Current tax payable for the year	7,090	6,000
Less: Taxes paid	(7,090)	(6,000)
Closing balance	**-**	**-**

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

Note 30: Related party transactions

(a) Control

Government of India enterprises controlled by Central Government

(b) Subsidiaries

Inland & Coastal Shipping Ltd is the 100 percent Subsidiary formed during 2016-17

(c) Joint Venture Companies

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

(d) Key Management Personnel

Executive Director

1. Shri A.K.Sharma
2. Smt H.K. Joshi
3. Shri S.V. Kher
4. Smt. Sangeeta Sharma
5. Shri Rajesh Sood
6. Shri Surinder Pal Singh Jaggi (w.e.f. 24.04.2018)
7. Shri Dipankar Haldar

Non Executive Director

1. Shri Arun Balakrishnan (ceases to be on the Board of SCI w.e.f. 20.03.2019)
2. Smt Archana Ramasundaram (joined SCI Board on 17.12.2018 and ceased to be on the Board of SCI w.e.f. 20.03.2019)
3. Shri Satinder Pal Singh
4. Shri Shambhu Singh (w.e.f. 03.05.2018)
5. Shri Gautam Sinha
6. Shri P. Kanagasabapathi
7. Shri Raj Kishore Tewari
8. Shri Sukamal Chandra Basu (ceases to be on the Board of SCI w.e.f. 20.03.2019)
9. Shri Mavji Bhikhabhai Sorathia (w.e.f. 17.12.2018)
10. Shri Vijay Tulsiramji Jadhao (w.e.f. 03.07.2018)

Key management personnel compensation

	Short-term employee benefits		Post-employment benefits		Long-term employee benefits		Employee share-based payment	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
1. Shri A.K.Sharma	36	36	4	4	-	-	-	-
2. Smt H.K. Joshi	37	48	8	7	-	-	-	-
3. Shri S.V. Kher	40	49	7	7	-	-	-	-
4. Smt. Sangeeta Sharma	32	8	7	2	-	-	-	-
5. Shri Rajesh Sood	31	8	6	2	-	-	-	-
6. Shri Surinder Pal Singh Jaggi (w.e.f. 24.04.2018)	31	-	6	-	-	-	-	-
7. Shri Dipankar Haldar	39	37	7	6	-	-	-	-
8. Shri B.B. Sinha (opted for VRS w.e.f. 12.08.2017)	-	39	-	2	-	-	-	-
9. Shri S.Narula (superannuated on 31.07.2017)	-	30	-	2	-	-	-	-
Total	**246**	**255**	**45**	**32**	**-**	**-**	**-**	**-**

Note:- As the liabilities for gratuity and leave encashment are provided on actuarial basis for the company as a whole the amounts pertaining to Key management personnel compensation are not included in the above table.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with JVS and Outstanding Balances

Nature of Transactions	31 March 2019	31 March 2018
1) Interest Income	1,352	1,674
2) Interest receivable	301	100
3) Expenses Reimbursed	33	37
4) Management &Accounting fees earned	1,839	1,670
5) Guarantee fees received	41	54
6) Investment made during the year	-	-
7) Loans realised during the year	2,811	3,196
8) Guarantees Given for JVS	4,954	6,762
9) Interest amount compounded in to principal	33	25
Outstanding Balances		
1) Investments	7,408	7,408
2) Loan Balances	22,034	23,302
3) Other Receivable	23	23
4) Payable on account of Ship	20,504	19,280

(f) Transactions with Subsidiary

Nature of Transactions	31 March 2019	31 March 2018
Investment made during the year	-	-
Investment at the year end	5.00	5.00
Expenses incurred on behalf	0.19	0.23
Receivable as at year end	9.75	9.56

(g) Transactions with Government related entities

Significant Transactions

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

Name of related party	Relation	Nature of transaction	31 March 2019	31 March 2018
Indian Oil Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	32,692	45,001
Hindustan Petroleum Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	66,098	52,067
Bharat Petroleum Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	45,557	19,406
Oil And Natural Gas Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	12,938	12,340
Mangalore Refinery and Petrochemicals Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	19,213	25,756
Chennai Petroleum Corporation Limited	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	12,340	12,418
Steel Authority Of India Ltd	Central PSU	Revenue from Freight/Charter Hire/Demurrage etc.	17,528	7,754
Poompuhar Shipping Corporation Limited	State PSU	Revenue from Freight/Charter Hire/Demurrage etc.	5,455	7,998
Indian Oil Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	21,922	12,239
Hindustan Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	9,141	11,710
Cochin Shipyard	Central PSU	Repair/Drydock of vessel	10,447	6,916
Bharat Petroleum Corporation Ltd.	Central PSU	Trade Receivable	5,364	2,643
Chennai Petroleum Corporation Ltd.	Central PSU	Trade Receivable	865	1,133
Geological Survey Of India	Ministry of Mines	Trade Receivable	4,880	305
Hindustan Petroleum Coporation Ltd.	Central PSU	Trade Receivable	4,851	6,317
Indian Oil Corporation Ltd.	Central PSU	Trade Receivable	3,664	7,455

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

Name of related party	Relation	Nature of transaction	31 March 2019	31 March 2018
Mangalore Refinery and Petrochemicals Limited	Central PSU	Trade Receivable	1,348	1,246
National Institute Of Ocean Technology	Ministry of Earth Sciences	Trade Receivable	3,678	223
Oil And Natural Gas Corporation Ltd.	Central PSU	Trade Receivable	3,501	5,752
Poompuhar Shipping Corporation Ltd.	State PSU	Trade Receivable	2,035	7,165
Steel Authority Of India Ltd.	Central PSU	Trade Receivable	3,141	970
Cochin Port Trust	Trust under MPT Act	Trade Payable	6,871	4,609
Cochin Shipyard Limited	Central PSU	Trade Payable	11,551	2,541
Gujarat Pipavav Port Ltd.	Trust under MPT Act	Trade Payable	3,371	2,324
New Mangalore Port Trust	Trust under MPT Act	Trade Payable	2,934	2,241
Nhavasheva International Container	Trust under MPT Act	Trade Payable	3,164	1,944
Vizag Port Trust	Trust under MPT Act	Trade Payable	6,757	5,917
Indian Oil Corporation Limited	Central PSU	Trade Payable	859	675

Other than Significant Transactions

Particulars	31 March 2019	31 March 2018
Revenue	38,507	37,935
Purchases/services	38,010	33,143
Trade Receivable	8,750	605
Trade Payable	11,075	12,129

Transactions with other government-related entities

Apart from the transactions disclosed in (g) above, the Company also conducts business with other government related entities. The Company has bank deposits, borrowings and other general banking relations with PSU banks. Other than the substantial amount of bank balances, bank borrowings and the facilities with these banks, transactions with other government related entities are individually insignificant.

(h) Other transactions with related parties

The following transactions occurred with related parties:

	31 March 2019	31 March 2018
Sitting Fees	21	13

(i) Trust

Transactions with Post Retirement Plans managed through separate trust wherein SCI having control :

Name of related party	Nature of transaction	31 March 2019	31 March 2018
Shipping Corporation of India Employees Gratuity Fund	-	-	-
Post Retirement Medical Scheme for the Shore employees of The Shipping Corporation of India Limited	-	-	-
Provident Fund for the employees of The Shipping Corporation of India Limited	Employer's Contribution	1,215	1,204
SCI Employee Superannuation Trust	Employer's Contribution	1,062	973
Provident Fund for The Crew Non CDC holders of The Shipping Corporation of India Limited	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 31: Employee Benefit Obligations

(A) Description of type of employee benefits

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

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

b) The Company offers to its employees defined contribution plan in the form of provident fund, post retirement medical scheme (New w.e.f. 01.01.2007) and pension contribution

The details of the plan are as follows:-

i.	Provident Fund	It is a contribution made on monthly basis @ 12% of monthly Basic and DA to the PF Trust who credits annual interest on PF balances. The corpus accumulated is paid on retirement of the employee.
ii.	Post Retirement Medical Scheme (New w.e.f. 01.01.2007)	It is a contribution @ 4% of monthly Basic and DA towards provision of employees' medical expenses incurred after retirement.
iii.	Pension contribution	It is a contribution @ 12% of monthly Basic and DA towards provision of annuity after retirement of employees.

(B) Gratuity

Balance sheet amount (Gratuity Plan)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	-	-
Total amount recognised in other comprehensive income [(i) + (iv)]	**(420)**	**668**	**(1,088)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2018 [(ii) + (iii)+ (iv)]			**(3,243)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2018	12,228	15,471	(3,243)
Current service cost	706	-	706
Interest expense/(income)	910	1,138	(228)
Total amount recognised in profit and loss	**1,616**	**1,138**	**479**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	304	(304)
(Gain)/loss from change in demographic assumptions	(9)	-	(9)
(Gain)/loss from change in financial assumptions	289	-	289
Experience (gains)/losses	(477)	-	(477)
(i) Amount recognised in other comprehensive income	(197)	304	(501)
Employer contributions			
Benefit payments	(1,202)	(1,202)	-
Unrecognised Asset due to Limit in Para 64(b)			
(ii) 31 March 2019	**12,446**	**15,711**	**(3,265)**
(iii)Unrecognised Asset at the beginning of the period	-	-	-
(iv) Asset recognised during the year (Asset Ceiling)	-	-	-
(v) Unrecognised Asset due to Limit in Para 64(b) - Change in Asset Ceiling [(iii)-(iv)]	-	-	-
Total amount recognised in other comprehensive income [(i) + (iv)]	**(197)**	**304**	**(501)**
Closing Balance Sheet (Asset) / Liability as on 31 March 2019 [(ii) + (iii)+ (iv)]	**-**	**-**	**(3,265)**

For gratuity, the benefits are paid by the trust and are not debited to the profit & loss of the Company.

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

Particulars	31-Mar-19	31-Mar-18
Present value of funded obligations	12,446	12,228
Fair value of plan assets	15,711	15,471
Deficit of funded plan	**(3,265)**	**(3,243)**
Unrecognised Asset due to Limit in Para 64(b)	-	-
Deficit of gratuity plan	(3,265)	(3,243)

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	**31-Mar-19**	**31-Mar-18**
Discount Rate	7.67%	7.87%
Salary Escalation Rate	7.50%	7.50%
Expected Return on Assets	7.67%	7.87%
Demographic Assumptions	**31-Mar-19**	**31-Mar-18**

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Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	PS 0 - 42 years:-0.5%	PS 0 - 42 years:-0.5%
Retirement Age	58/60 years	58/60 years
Timing Related Assumptions		
Time of Retirement	Immediately on achieving normal retirement	
Salary Increase frequency	Once a year	

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31-Mar-19		**31-Mar-18**	
Defined Benefit Obligation (Base)	10749		12228	
Sensitivity Analysis	**31-Mar-19**		**31-Mar-18**	
Table 14 : Sensitivity Analysis	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	633	695	684	614
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	500	550	491	549

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	**31-Mar-18 to 31-Mar-19**	**31-Mar-17 to 31-Mar-18**
Unrecognised Asset, Beginning of Period	-	1042
Asset recognised during the year	-	1042
Unrecognised Asset, End of Period	-	-

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Major category of plan assets are as follows

Particulars	**31-Mar-19**				**31-Mar-18**			
	Quoted	**Unquoted**	**Total**	**in %**	**Quoted**	**Unquoted**	**Total**	**in %**
Government of India Securities	6,984	-	6,984	44%	5,016	-	5,016	32%
Debt instruments								
Investment in Bonds	1,893	-	1,893	12%	1,893	-	1,893	12%
Other Assets including accrued interest	670	330	1,000	6%	491	249	740	5%
Investment in Deposits including Bank Balance	-	5834	5,834	37%	-	7822	7,822	51%
Total	**9,547**	**6,164**	**15,711**	**100%**	**7,400**	**8,071**	**15,471**	**100%**

None of the financial assets of SCI have been considered in the fair value of plan assets.

The expected rate of return on plan assets has been estimated on the basis of actual returns of the trust in the past years. The securities of trust have an effect on the fair value of plan assets as the value of the securities vary with the changes in the market interest rates.

Actual Return on plan assets ₹ 1441 lakh (Prev. period ₹ 749 lakhs)

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. The Company intends to maintain the above investment mix in the continuing years.

Changes in bond yields:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Life expectancy:

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Contribution expected to be paid in the next year is Nil.

The weighted average duration of the defined benefit obligation is 12.01 years (2018 – 17.15 years).

(C) Leave Encashment (Unfunded)

Balance sheet amount (Leave Encashment)

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

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

Particulars	Present value of obligation
01 April 2018	5,281
Current service cost	407
Interest expense/(income)	414
Actuarial (Gain)/loss from change in financial assumptions	138
Actuarial (Gain)/loss from change in demographic assumptions	(4)
Actuarial - Experience (gains)/losses	448
Total amount recognised in profit and loss	**1,403**
Benefit payments	(841)
31 March 2019	**5,843**

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

Particulars	31-Mar-19	31-Mar-18
Present value of unfunded obligations	5,843	5,281
Deficit of leave encashment plan	5,843	5,281

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	**31-Mar-19**	**31-Mar-18**
Discount Rate	7.67%	7.87%
Salary Escalation Rate	7.50%	7.50%
Demographic Assumptions	**31-Mar-19**	**31-Mar-18**
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rate	PS 0 - 42 years:- 0.5%	PS 0 - 42 years:- 0.5%
Retirement Age	58/60 years	58/60 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Timing Related Assumptions	
Time of Retirement	Immediately on achieving normal retirement
Salary Increase frequency	Once a year

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	31-Mar-19		31-Mar-18	
Defined Benefit Obligation (Base)	5,843		5,281	
(M) Sensitivity Analysis	**31-Mar-19**		**31-Mar-18**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	344	309	311	276
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	249	238	215	223

The weighted average duration of the defined benefit obligation is 12.01 years (2018 – 17.15 years).

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(D) Post Retirement Medical Benefit Scheme

Balance sheet amount (Post Retirement Medical Benefit Scheme)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31March 2017	2,315	1,335	980
Past service cost	306	-	306
Interest expense/(income)	170	90	80
Total amount recognised in profit and loss	476	90	386
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(44)	-	(44)
Experience (gains)/losses	(81)	(110)	29
Total amount recognised in other comprehensive income	(125)	(110)	(15)
Employer contributions	-	-	-
Benefit payments	(224)	(224)	-
31 March 2018	**2,442**	**1,091**	**1,351**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2018	2,442	1,091	1,351
Past service cost	(279)		(279)
Interest expense/(income)	181	77	104
Total amount recognised in profit and loss	(98)	77	(175)
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
(Gain)/loss from change in financial assumptions	12	-	12
Experience (gains)/losses	(75)	1	(76)
Total amount recognised in other comprehensive income	(63)	1	(64)
Employer contributions	-	-	-
Benefit payments	(198)	(198)	-
31 March 2019	**2,083**	**971**	**1,112**

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

Particulars	31-Mar-19	31-Mar-18
Present value of funded obligations	2,083	2,442
Fair value of plan assets	971	1,091
Deficit of funded plan	**1,112**	**1,351**
Deficit of Post Retirement Medical Benefit Scheme plan	**1,112**	**1,351**

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Financial Assumptions	31-Mar-19	31-Mar-18
Discount Rate	7.67%	7.79%
Expected Return on Assets	7.67%	7.79%
Demographic Assumptions	**31-Mar-19**	**31-Mar-18**
Mortality Table	LIC (1996-98) Ult (Annuitant)	LIC (1996-98) Ult (Annuitant)
Timing Related Assumptions		
Time of Retirement	Immediately on achieving normal retirement	

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Sensitivity Analysis	31-Mar-19		31-Mar-18	
Defined Benefit Obligation (Base)	2,083		2,442	
Table 12 : Sensitivity Analysis	**31-Mar-19**		**31-Mar-18**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate Impact of increase/decrease in 50 bps on DBO	44	39	51	46

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Major category of plan assets are as follows

Particulars	31-Mar-19				31-Mar-18			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	-	970	970	100%	-	1085	1085	99%
Other Assets including accrued interest	-	1	1	0%	-	6	6	1%
Total	**-**	**971**	**971**	**100%**	**-**	**1,091**	**1,091**	**100%**

None of the financial assets of SCI have been considered in the fair value of plan assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

The expected rate of return on plan assets has been estimated on the basis of actual returns of the trust in the past years. The securities of trust have an effect on the fair value of plan assets as the value of the securities vary with the changes in the market interest rates.

Defined benefit liability and employer contributions :

Contribution expected to be paid in the next year is Nil.

The weighted average duration of the defined benefit obligation is 10.21 years (2018 – 10.21 years).

Note 32: Segment information

(a) Business Segments

The Group is managed by the Board which is the chief decision maker. The Board has determined the operating segments based on the pattern of vessels deployed by the Group, for the purposes of allocating resources and assessing performance.

(I) Liner

Liner segment includes break-bulk, container transport, passenger vessels & research vessels managed on behalf of other organisations.

(II) Bulk

Bulk Carriers include dry bulk carriers.

(III) Tanker

Tankers segment includes both crude and product carriers, gas carriers, phosphoric acid carriers.

(III) T&OS

Technical & Offshore services segment includes Group owned offshore vessels, offshore vessels managed on behalf of other organisations and income from technical consultancy.

(IV) Others

Others segment include income earned from Maritime Training Institute.

(V) Unallocated

Unallocable items and interest income/expenses are disclosed separately.

Expense and Revenue items are allocated vessel wise wherever possible. Expenses and revenue items that cannot be allocated vessel wise are allocated on the basis of age of the vessel i.e. (Current year - Built year) +1.

(b) Geographical Segments

Presently, the Group's operations are predominantly confined in India.

(c) Adjusted Earnings before Interest & Tax (EBIT)

Adjusted EBIT excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of gains or losses on financial instruments.

Interest income is not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

EBIT	31 March 2019	31 March 2018
Liner	(8,960)	7,966
Bulk	3,277	(631)
Tanker	24,158	167
T&OS	(1,270)	2,694
Others	(171)	1,478
Unallocated	(3,045)	5,898
Total adjusted EBIT	**13,989**	**17,572**

Adjusted EBIT reconciles to profit before income tax as follows:

Particulars	31 March 2019	31 March 2018
Total adjusted EBIT	13,989	17,572
Finance costs :		
Liner	125	231
Bulk	4,788	4,417

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
Tanker	6,859	6,178
T&OS	2,182	2,239
Others	-	-
Unallocated	10,632	4,914
Total Finance costs	24,586	17,979
Interest income from investments	9,045	8,630
Profit before income tax from continuing operations	**(1,552)**	**8,223**

Depreciation included in adjusted EBIT

Particulars	31 March 2019	31 March 2018
Liner	1,889	1,830
Bulk	11,234	10,273
Tanker	44,619	41,770
T&OS	8,045	7,152
Others	59	-
Unallocated	-	-
Total Depreciation included in adjusted EBIT	**65,846**	**61,025**

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	31 March 2019			31 March 2018		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	63,263	-	63,263	67,621	-	67,621
Bulk	58,603	-	58,603	41,394	-	41,394
Tanker	246,195	-	246,195	213,135	-	213,135
T&OS	22,832	-	22,832	22,763	-	22,763
Others	1,693	-	1,693	2,034	-	2,034
Total Segment Revenue	**392,586**	**-**	**392,586**	**346,947**	**-**	**346,947**
Unallocated	12,777	-	12,777	6,169	-	6,169
Total segment revenue as per Profit and Loss	**405,363**	**-**	**405,363**	**353,116**	**-**	**353,116**

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2019 and 31st March 2018 were as follows:

Revenue from external customers	31 March 2019			31 March 2018		
	Tanker segment	Liner Segment	Total	Tanker segment	Liner Segment	Total
Bharat Petroleum Corporation Ltd.	45,557	-	45,557	19,377	29	19,406
Hindustan Petroleum Corporation Ltd.	66,098	-	66,098	52,058	9	52,067
Indian Oil Corporation Ltd	31,902	790	32,692	43,888	1,113	45,001
Mangalore Refinery and Petrochemicals Ltd	19,213	-	19,213	25,756	-	25,756

The Group is domiciled in India. The amount of its revenue from external customers (exceeding 4%) broken down by location of the customers is shown in the table below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Revenue from external customers	31 March 2019	31 March 2018
India	324,634	273,756
Singapore	16,241	21,343
Other Countries	51,711	51,848
Total	**392,586**	**346,947**

(e) Segment assets

Segment	31 March 2019		31 March 2018	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	88,707	-	66,963	-
Bulk	180,927	-	179,920	-
Tanker	675,248	-	663,899	-
T & OS	147,960	-	155,810	-
Others	821	-	891	-
Total segment assets	**1,093,663**	**-**	**1,067,483**	**-**
Unallocated	341,364	-	383,141	-
Total assets as per the balance sheet	**1,435,027**	**-**	**1,450,624**	**-**

(f) Segment liabilities

Segment	31 March 2019	31 March 2018
Liner	107,395	122,280
Bulk	109,133	124,566
Tanker	211,428	235,054
T & OS	72,597	72,001
Others	485	680
Total segment liabilities	**501,038**	**554,581**
Unallocated	215,667	172,518
Total liabilities as per the balance sheet	**716,705**	**727,099**

Note 33: Revenue from Contract with customers

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

Particulars	31 March 2019	31 March 2018
Revenue from Contract with Customers	335,634	287,538
Revenue from Other Sources		
Charter hire (lease)	69,211	65,356
Other income	9,565	8,853
Total Revenue	**414,409**	**361,747**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segmentwise

Particulars	31 March 2019	31 March 2018
Liner	59,362	64,574
Bulk	35,232	16,575
Tanker	220,448	190,785
T&OS	6,640	7,625
Others	1,693	2,034
Unalloacated	12,259	5,945
Total Revenue from Contract with Customers - Segmentwise	**335,634**	**287,538**

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

(B) Revenue from Contract with Customers – Geographical Location

Particulars	31 March 2019			
	India	Singapore	Others	Total
Liner	49,845	331	9,186	59,362
Bulk	35,264	(62)	30	35,232
Tanker	187,942	4,791	27,715	220,448
T&OS	6,636	1	3	6,640
Others	1,329	-	364	1,693
Unalloacated	(250)	-	12,509	12,259
Total Revenue	**280,766**	**5,061**	**49,807**	**335,634**

Particulars	31 March 2018			
	India	Singapore	Others	Total
Liner	48,934	504	15,136	64,574
Bulk	16,569	(12)	18	16,575
Tanker	152,637	13,354	24,794	190,785
T&OS	7,641	(16)	-	7,625
Others	2,031	-	3	2,034
Unalloacated	1,482	991	3,472	5,945
Total Revenue	**229,294**	**14,821**	**43,423**	**287,538**

C) On the basis of Timing of Revenue Recognition:

Particulars	31 March 2019		
	At Point in time	At Point over time	Total
Liner	820	58,542	59,362
Bulk	2,894	32,338	35,232
Tanker	15,035	205,413	220,448
T&OS	270	6,370	6,640
Others	33	1,660	1,693
Unalloacated	12,928	(669)	12,259
Total Revenue	**31,980**	**303,654**	**335,634**

Particulars	31 March 2018		
	At Point in time	At Point over time	Total
Liner	3,601	60,973	64,574
Bulk	1,224	15,351	16,575
Tanker	16,083	174,702	190,785
T&OS	926	6,699	7,625
Others	12	2,022	2,034
Unalloacated	6,408	(463)	5,945
Total Revenue	**28,254**	**259,284**	**287,538**

Contract Asset

Particulars	31 March 2019	31 March 2018
Opening Balance of Contract Asset	26,597	12,778
Opening Balance reclassified as Trade Receivable in current period	25,545	16,325
Current year adjustment carried forward	32,267	30,143
Closing Balance of Contract Asset	**33,968**	**26,597**

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(All amounts in INR lakhs, unless otherwise stated)

Contract Liability

Particulars	31 March 2019	31 March 2018
Opening Balance of Contract Liability	1,894	4,843
Revenue Recognised from the opening balance of Contract Liability	1,894	4,843
Current year Contract liability - Carried Forward	688	1,894
Closing Balance of Contract Liability	**688**	**1,894**

"The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 1.20 of Note No. 1.

Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the subsequent financial years.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Trade receivables as disclosed in note no 6(e) includes contract balances. Impairment losses as disclosed in Note 38 includes receivables arising from contracts with customers.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from shipping activities.Revenue from a voyage charter is recognised over time, which is determined on a percentage of voyage completion method. The Company has recognised revenue over a period of time basis following output method. Since, the Company can tracks the progress toward completion of the contract by measuring days to date relative to total estimated days needed to satisfy the performance obligation, the percentage of voyage completion method/ straight-line basis over the period of the charter i.e. output method provide a faithful depiction of transfer of goods or services.

Note 34: OPERATING LEASE COMMITMENTS

(1) As a Lessee - Payments

At the balance sheet date, the Group has the following contractual committed future minimum lease payables under non-cancellable operating leases from time - charter contracts, land, building, Cars, Photocopier machine etc in the aggregate and each of the following periods:

Particulars	31 March 2019	31 March 2018
Not later than 1 year	6,095	8,773
Later than 1 year and not later than 5 years	8,861	14,835
Later than 5 Years	30	31

The above includes sub-lease payments from time-charter contract expected to be received under non-cancellable subleases at the end of 31st March 2019 of Rs 12622 lakhs (at the end of 31st March 2018 of Rs 16524 Lakhs).

The minimum lease and sub lease payment recognised as an expense during the financial year 2018-19 are of Rs 15357 lakhs (Including sub-lease expense of Rs 3901 lakhs).

The lease has varying terms and renewal rights. The Group's operating lease for vessels have terms ranging from less than 1 year to 5 years.

Vessels on time charter hire are considered as operating lease.

(2) As a Lessor - Receipts

At the balance sheet date, the Group has the following contractual committed future minimum lease receivable under non-cancellable operating leases from time - charter contracts in the aggregate and each of the following periods:

Particulars	31 March 2019	31 March 2018
Not later than 1 year	23,806	33,035
Later than 1 year and not later than 5 years	17,488	33,440
Later than 5 Years	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

The Group's operating lease for vessels have terms ranging from less than 1 year to 5 years. Certain of the leases have varying terms and renewal rights.

Vessels on time charter hire are considered as operating lease.

Note 35: Assets pledged as security

Particulars	Notes	31 March 2019	31 March 2018
Current			
Financial Assets			
Other bank balances	**6(g)**	8,434	12,349
Non-current investments	**6(a)**	7,359	7,359
Total current assets pledged as security		**15,793**	**19,708**
Non-current			
Property, Plant and Equipment	**3**	682,099	757,633
Total non-current assets pledged as security		**682,099**	**757,633**
Total assets pledged as security		**697,892**	**777,341**

Note 36: Offsetting Financial Assets and Financial Liabilities

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2019 and March 31, 2018. The column 'net amount' shows the impact on the Group's Balance Sheet if all set-off rights were exercised.

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
31 March 2019						
Financial assets						
i. Investments	27,921	-	27,921	-	-	27,921
ii. Trade receivables	59,892	-	59,892	-	-	59,892
iii. Cash and cash equivalents	9,538	-	9,538	-	-	9,538
iv. Bank balances other than (iii) above	90,282	-	90,282	-	8,434	81,848
v. Loans	24,417	-	24,417	-	-	24,417
vi. Other financial assets	47,673	-	47,673	-	-	47,673
Total	**259,723**	**-**	**259,723**	**-**	**8,434**	**251,289**
Financial liabilities						
i. Borrowings	411,414	-	411,414	-	-	411,414
ii. Trade payables						
Micro, Small and Medium Enterprises	545	-	545	-	-	545
Others	127,075	-	127,075	-	-	127,075
iii. Other financial liabilities	128,183	-	128,183	-	-	128,183
Total	**667,217**	**-**	**667,217**	**-**	**-**	**667,217**
31 March 2018						
Financial assets						
i. Investments	26,862	-	26,862	-	-	26,862
ii. Trade receivables	66,264	-	66,264	-	-	66,264
iii. Cash and cash equivalents	24,179	-	24,179	-	-	24,179

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
iv. Bank balances other than (iii) above	86,957	-	86,957	-	12,349	74,608
v. Loans	25,503	-	25,503	-	-	25,503
vi. Other financial assets	31,959	-	31,959	-	-	31,959
Total	**261,724**	**-**	**261,724**	**-**	**12,349**	**249,375**
Financial liabilities						
i. Borrowings	458,098	-	458,098	-	-	458,098
ii. Trade payables						
Micro, Small and Medium Enterprises	2,579	-	2,579	-	-	2,579
Others	95,787	-	95,787	-	-	95,787
iii. Other financial liabilities	115,765	-	115,765	-	-	115,765
Total	**672,229**	**-**	**672,229**	**-**	**-**	**672,229**

Note 37: Fair value measurements

Financial instruments by category

Particulars	31 March 2019			31 March 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	350	-	-	118	-	-
- Mutual funds	-	-	-	5,605	-	-
Loans	-	-	24,417	-	-	25,503
Trade receivables	-	-	59,892	-	-	66,264
Cash and cash equivalents	-	-	9,538	-	-	24,179
Other bank balances	-	-	90,282	-	-	86,957
Bank deposits with more than 12 months maturity	-	-	-	-	-	87
Other financial assets	-	-	47,673	-	-	31,872
Total financial assets	**350**	**-**	**231,802**	**5,723**	**-**	**234,862**
Financial liabilities						
Borrowings	-	-	411,414	-	-	458,098
Trade payables	-	-	127,620	-	-	98,366
Current maturities of long term debt	-	-	116,331	-	-	100,439
Other financial liabilities	-	-	11,852	-	-	15,325
Total financial liabilities	**-**	**-**	**667,217**	**-**	**-**	**672,228**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Financial assets measured at fair value - recurring fair value measurements At 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Growth plan	6(d)	-	-	-	-
Mutual funds - Dividend plan	6(d)	-	-	-	-
Unquoted equity instruments -Woodland Speciality Hospital Ltd	5(a)	-	-	350	350
Total financial assets		**-**	**-**	**350**	**350**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	6(b)	-	-	-	-
Loans to others	6(b)	-	-	1562	1,562
Bank deposits	6(c)	-	-	-	-
Total financial assets		**-**	**-**	**1,562**	**1,562**
Financial Liabilities					
Borrowings	13(a)	-	368,997	-	368,997
Security deposits	13(b)	-	-	41	41
Total financial liabilities		**-**	**368,997**	**41**	**369,038**

Financial assets measured at fair value - recurring fair value measurements At 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
Mutual funds - Growth plan	6(d)	-	-	-	-
Mutual funds - Dividend plan	6(d)	5,605	-	-	5,605
Unquoted equity instruments -Woodland Speciality Hospital Ltd	5(a)	-	-	118	118
Total financial assets		**5,605**	**-**	**118**	**5,723**

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

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

There were no transfers between any levels during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of closing NAV for investment in mutual funds
- the use of book values for investment in unlisted equity securities
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

Particulars	Unlisted Equity Securities
As at 1 April 2017	99
Gains(losses) recognised in Statement of profit or loss	19
As at 31 March 2018	118
Gains(losses) recognised in Statement of profit or loss	232
As at 31 March 2019	350

Particulars	Fair Value as at		Significant unobservable inputs	Sensitivity	
	31 March 2019	31 March 2018		2019	2018
Valuation inputs and relationship to fair value - Investment in Equity Securities held for sale (non recurring)	7	7	Net book values	Not applicable	
Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)*	350	118	Net book values	increase (decrease) in the book value would result in increase (decrease) in fair value	

* Net book value as on 31st March, 2019 is calculated based on latest available Financial Statements (i.e. 31st March 2018)

(iv) Valuation processes

The finance department of the Group includes a team that along with treasury function performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Director(finance).

The main level 3 inputs used by the Group are derived and evaluated as follows:

- For unlisted equity securities, their fair values are estimated based on the book values of the investee companies.

(v) Fair value of financial assets and liabilities measured at amortised cost

Particulars	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans to related parties	-	-	-	-
Loans to employee	1,562	1,562	1,573	1,573
Bank deposits	-	-	87	87
Total financial assets	**1,562**	**1,562**	**1,660**	**1,660**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2019		31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Borrowings	368,997	368,997	431,096	431,096
Security deposits	41	41	94	94
Total financial liabilities	**369,038**	**369,038**	**431,190**	**431,190**

The carrying amounts of trade receivables, trade payables, short term security deposits, bank deposits with more than 12 months maturity, cash and cash equivalents including other bank balances and other current financial assets and liabilities are considered to be the same as their fair values.

The fair values of non-current borrowings (with floating rate of interest) is not impacted due to interest rate changes and will not be significantly different from their carrying amount as there is no significant change in the underlying credit risk of the Group's borrowings.

The fair values of non-current borrowings (with fixed rate of interest) are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 38: Financial risk management

The Group has exposure to the Credit risk, Liquidity risk and Market risk.

The Group's Board of Directors has overall responsibility for the establishment and supervision of the Group's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Group's risk management policies. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(A) Credit Risk :

(i) Credit risk is the risk of financial loss to the Group if a customer to a financial instrument fails to meet its contractual obligations. Group's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of a large number of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period. This credit period has been determined by considering the business environment in which the Group operates. The Group considers dealing with creditworthy customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk due to above is periodically monitored. Based on the periodical analyses, the credit risk is managed by continuous review and follow-up.

(ii) Provision for expected credit losses (ECL) :

The Group provides for expected credit loss on trade receivables based on a provision matrix. This matrix is a simplified basis of recognition of expected credit losses in case of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. The aging has been done for bracket of 90 days over a period of last 3 years. Receivables that are more than 3 years old are considered uncollectible. Further, customers declaring bankruptcy or failing to engage in repayment plan with the Group, provisioning is made on case to case basis i.e. such customers do not form part of this impairment exercise and provided for separately.

(iii) Reconciliation of Trade receivables :

Particulars	31 March 2019	31 March 2018
Gross carrying amount of trade receivables	85,515	94,920
Less : Expected credit losses	10,940	12,504
Less : Provision made separately for bankrupt/terminated agents	4,255	3,849
Less : Other Provision(i.e. Off Hire, Demurrage, others)	10,428	12,303
Carrying amount of trade receivables (net of impairment)	**59,892**	**66,264**

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

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

Particulars	Amount
Loss allowance on 1st April 2017	**13,512**
Changes in loss allowance	(1,008)
Loss allowance on 31st March 2018	**12,504**
Changes in loss allowance	(1,564)
Loss allowance on 31st March 2019	**10,940**

(B) Liquidity risk

(i) Prudent liquidity risk management refers to the management of the Group's short term and long term funding and liquidity management requirements. The Group's treasury maintains flexibility in funding by maintaining availability of funds under committed credit lines. Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The tables below analyse the Group's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. In the table below, borrowings include both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

Contractual maturities of financial liabilities 31 March 2019	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	297,007	213,242	68,570	578,819
Trade payables	127,620	-	-	127,620
Security and other deposits	773	41	-	814
Others financial liabilities	11,038	-	-	11,038
Total liabilities	**436,438**	**213,283**	**68,570**	**718,291**

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	242,633	292,072	64,769	599,474
Trade payables	98,366	-	-	98,366
Security and other deposits	627	94	-	721
Others financial liabilities	14,605	-	-	14,605
Total liabilities	**356,231**	**292,166**	**64,769**	**713,166**

(C) Market risk

Market risk is the risk that changes in market indicators such foreign exchange rates, interest rates and commodity prices will affect the Group's income or the value of its financial instruments. The Group's activities mainly expose it to risks arising from changes in foreign exchange rate and interest rate and freight/charter hire rates.

(i) Foreign currency risk

The Group operates vessels in foreign waters, earns revenues and incurs expenditure in foreign currencies, primarily with respect to USD, EURO and certain other foreign currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR).

Considering the business environment in which Group operates, exposure to foreign exchange rate risk is largely managed by collection of income in foreign currencies in short term bank accounts abroad.

(a) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2019			31 March 2018		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Current assets	10,599	-	77	1,647	-	97
Current Loans & Advances	22,034	-	-	23,302	-	-
Cash and cash equivalents	2,017	729	386	22,335	702	253
Other Bank Balances	208	-	-	2,254	-	-
Trade Receivables	20,781	5,060	10,752	29,606	5,640	10,311
Exposure to foreign currency risk (assets)	**55,639**	**5,789**	**11,215**	**79,144**	**6,342**	**10,661**
Financial liabilities						
Long Term (Non-Current) Borrowings	252,666	-	-	330,657	-	-
Current maturities of long term borrowings	116,331	-	-	100,439		
Other current Liabilities	85,857	446	(504)	53,300	129	(1,910)
Short Term Borrowings	158,748	-	-	127,441	-	-
Trade Payables	57,628	1,927	9,364	40,573	5,094	10,488
Exposure to foreign currency risk (liabilities)	**671,230**	**2,373**	**8,860**	**652,410**	**5,223**	**8,578**
Liabilities directly associated with assets classified as held for sale	20,504	-	-	19,280	-	-
Total exposure to foreign currency risk (liabilities)	**691,734**	**2,373**	**8,860**	**671,690**	**5,223**	**8,578**

(b) Sensitivity

The following table details the Group's sensitivity to a 3% increase/ decrease in INR as against USD and 4% increase / decrease in INR as against EUR. The sensitivity analysis includes only foreign currency denominated monetary items.

Particulars	Impact on profit after tax	
	31 March 2019	31 March 2018
USD sensitivity		
INR/USD -Increase by 3% (31 March 2018- 3%)	(19,083)	(17,776)
INR/USD -Decrease by 3% (31 March 2018- 3%)	19,083	17,776
EUR sensitivity		
INR/EUR -Increase by 4% (31 March 2018- 1%)	137	11
INR/EUR -Decrease by 4% (31 March 2018- 1%)	(137)	(11)

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Group manages its interest rate risk by regularly monitoring the interest rate movement and deciding on type of interest rate i.e. fixed or fluctuating.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2019	31 March 2018
Variable rate borrowings	529,906	561,784
Total borrowings at variable rate	**529,906**	**561,784**

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(b) Sensitivity

The sensitivity analysis has been determined based on the exposure to interest rate risk on the borrowings outstanding as at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year with a 100 basis point increase or decrease.

Particulars	Impact on profit after tax	
	31 March 2019	31 March 2018
Interest rates – increase by 100 basis points (100 bps)	(5,299)	(5,618)
Interest rates – decrease by 100 basis points (100 bps)	5,299	5,618

(iii) Freight/Charter hire risk

Shipping industry is governed by various national and international economic and geopolitical developments. Local and international demand and supply determine freight and charter hire rates. Since Group's vessels ply in international waters, it is affected by such developments. Also, bunker cost is major component of Group's cost structure and bunker prices are highly volatile.

Note 39: Capital management

(a) Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the debt equity ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as Long Term Borrowings (including current portion of Long Term borrowings as shown in the Balance Sheet).

Particulars	31 March 2019	31 March 2018
Net Debt	368,997	431,096
Total Equity	718,322	723,525
Net debt to equity ratio	**0.51**	**0.60**

(b) Loan covenants

The company has 8 ECB Loan Agreement wherein 7 of the agreements have a financial covenant of Debt Service Coverage Ratio (DSCR). The company has not been able to meet the DSCR covenant. However the company has given an alternate covenant of 'Minimum Cash Covenant' in lieu of the DSCR covenant in 3 of the loans and other 5 lenders are in the process of waiving the DSCR default.

Note 40

a) During the year ended 31st March, 2019, tanker vessel, M.T. 'Desh Vaibhav' on its way to Fujairah, UAE, suffered an explosion in one of its cargo tank, off Oman coast. This vessel is insured with M/s Oriental Insurance Co Ltd (Hull Underwriter) under 'Hull & Machinery' insurance cover and the cost of damage repair is recoverable from insurance company. The group has submitted on account interim claim of ₹ 9298 lakhs to M/s Oriental Insurance Co Ltd and the group reasonably expects ultimate collection of the same. The group has recognized the claim recovery of ₹ 9298 lakhs and additional expenses of ₹ 240 lakhs during financial year.

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

Note 41

a) During the year ended 31st March 2019, the Group based on internal evaluation, reassessed the useful life of Air Conditioner (except AC Plant). Accordingly, the useful life of the Air Conditioner (except AC Plant) which was 15 years has been revised to 10 years. Due to this change, the fixed assets for the year ended 31st March 2019 is lower by ₹ 22.40 lakhs due to higher depreciation and profit for the FY 2018-19 is lower by ₹ 22.40 lakhs. Due to the said change, depreciation expenses for the future periods will be lower by approximate ₹ 22.40 lakhs.

b) During the year ended 31st March 2019, the group based on technical assessment, reassessed the useful life of Solar Plant. Accordingly,

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the useful life of the Solar Plant which was 20 years has been revised to 25 years. Due to this change, the fixed assets for the year ended 31st March 2019 is higher by ₹ 2.87 lakhs due to lower depreciation and profit for the FY 2018-19 is higher by ₹ 2.87 lakhs. Due to the said change, depreciation expenses for the future periods will be higher by approximate ₹ 2.87 lakhs.

c) On the basis of review of residual value of vessels, 2 PSV and 4 AHTS vessels are estimated to be having scrap value less than 5% of original cost. Therefore, residual value of 2 PSV and 4 AHTS vessels is reduced to approximately 4 %. Due to this change, depreciation for the year ended 31st March 2019 is higher by ₹ 49.44 lakhs and profit for the FY 2018-19 is lower by ₹ 49.44 lakhs. Due to the said change, depreciation expenses for the future period will be higher by approximate ₹ 49.44 lakhs every year.

Note 42

M.T. 'Mahraja Agrasen' while discharging cargo (crude oil) at Jawahar Dweep #4 suffered a flash fire incident on 13.04.2019. The fire was contained and extinguished immediately by the ship's staff. The Group does not expect material impact of the repair cost in the accounts.

Note 43

Ministry of Shipping provided subsidy of Rs 19 crore in the financial year 2016-17 to the company for running direct shipping service from India to Bangladesh- Myanmar and Srilanka- Maldives for a period of six months for financial year 2017-18. Action for chartering of vessel for starting the service has been deferred since the proposal for starting direct shipping service to Myanmar is under review with the Ministry of External Affairs. The Company is awaiting further direction from the Ministry in this regard. Meanwhile, the Company is also seeking guidance/direction from Ministry regarding unutilized grant amount and also initiated action to refund interest earned thereon.

Note 44

a) C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of ₹ 11.03 crores for the FY 2014-15. Audit observed that the company did not follow the DPE guidelines for determining the PBT for the FY 2014-15, as well as for computing the incremental profit for arriving at the amount distributable as PRP.

b) On the above matter, C&AG further observed that DPE Guidelines (November 2008) require the CPSEs to follow a 'Bell Curve' approach in grading the officers so that not more than 10 to 15 percent are graded outstanding and 10 percent are to be graded below par. As per DPE clarification (6th July 2011), the bottom 10 per cent of employees are not to be paid any PRP. SCI has categorized below par employees as 'Opportunity for development (OFD) and 'Do not meet expectation (DNME)'. The OFD category employees were paid PRP amounting to ₹ 38.46 lakh at a Performance factor of 0.4.

The company has submitted its response on the payment of PRP for FY 2014-15 and the matter is under the consideration of C&AG and final outcome is awaited. Appropriate action shall be taken based on further developments in the matter.

Note 45

The Group is in process of analysing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis, gratuity liability has been adequately provided in books of accounts.

Note 46

The management has revised the method of allocation of management expenses w.e.f 01.04.2017 based on which Statement of Account (SOA's) were raised to the customers. The revised method of allocation has resulted into increase of revenue, for current year by approx ₹ 64 crores (previous year ₹ 78 crores). Substantial collections have been made towards this and the outstanding amount of approx ₹ 37 crores as on 31.03.2019 is being pursued for recovery. The management is confident of recovering the entire outstanding amount.

Note 47

Trade Payables, Trade Receivables and Deposits are subject to confirmation and reconciliation. During the year, letters for confirmation of balances have been sent to various trade payable and trade receivable parties by the Group and the same are under reconciliation wherever replies have been received. The management, however, does not expect any material changes on reconciliation.

Note 48

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

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Note 49: Companies considered for consolidation
The following joint ventures/subsidiary have been considered for the purpose of consolidation :-

Name	Nature of Interest	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.03.19 (As on 31.03.18)
1. India LNG Transport Company (No. 1) Ltd.	Joint venture	Equity	Malta	29.08%(29.08%)
2. India LNG Transport Company (No. 2) Ltd.	Joint venture	Equity	Malta	29.08%(29.08%)
3. India LNG Transport Company (No. 3) Ltd.	Joint venture	Equity	Malta	26.00%(26.00%)
4. India LNG Transport Company (No. 4) Ltd.	Joint venture	Equity	Singapore	26.00% (26.00%)
5. Inland & Coastal Shipping Limited	Subsidiary	Equity	India	100.00% (100.00%)

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

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

Note 50: Interest in Other Entities
(a) Information about subsidiaries

The Group has the following investments in subsidiaries:

Sl. No.	Name of the subsidiary	Principal place of business	Principal activities	Proportion (%) of ownership	
				As at 31st March, 2019	As at 31st March, 2018
1	INLAND & COASTAL SHIPPING LTD.	India	Inland Waterways	100%	100%

(b) Interest in associate and joint ventures

(i) Set out below are the associates and joint ventures of the Group as at 31 March 2019 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Sl. No.	Name of the entity	Principal place of business	Principal activities	Proportion (%) of ownership		Carrying Value	
				As 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
1	India LNG Transport Co. (No. 1) Ltd.	Malta	LNG Carriers	29.08%	29.08%	9,930	7,427
2	India LNG Transport Co. (No. 2) Ltd.	Malta	LNG Carriers	29.08%	29.08%	9,910	7,212
3	India LNG Transport Co. (No. 3) Ltd.	Malta	LNG Carriers	26.00%	26.00%	-	-
4	India LNG Transport Co. (No. 4) Ltd.	Singapore	LNG Carriers	26.00%	26.00%	7,732	6,502
5	Irano Hind Shipping Co. Ltd.	Iran	Shipping	49.00%	49.00%	-	-
6	Sail SCI Pvt. Ltd	India	Shipping	50.00%	50.00%	7	7

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(All amounts in INR lakhs, unless otherwise stated)

(ii) Summarised financial information for associates and joint ventures

The table below provide summarised financial statements for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not SCI's share of those amounts.

Summarised Balance Sheet	ILT 1		ILT 2		ILT 3		ILT 4	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March 2018
Current Assets								
Cash and Cash Equivalents	11,804	10,254	11,118	10,646	11,563	9,445	13,362	6,955
Other Assets	2,749	3,195	1,721	1,511	1,509	1,613	2,265	1,611
Total Current Assets	**14,553**	**13,449**	**12,839**	**12,157**	**13,072**	**11,058**	**15,627**	**8,566**
Total Non - Current Assets	**83,567**	**78,748**	**85,680**	**84,608**	**130,545**	**127,449**	**140,645**	**136,033**
Current Liabilities								
Financial Liabilities (excl. trade payables)	13,781	17,218	13,612	16,785	70,207	66,009	5,672	5,006
Other Liabilities	3,011	16	931	2,907	5,965	4,586	4,299	988
Total Current Liabilities	**16,792**	**17,234**	**14,543**	**19,692**	**76,172**	**70,595**	**9,971**	**5,994**
Non- Current Liabilities								
Financial Liabilities (excl. trade payables)	47,429	49,738	50,162	52,603	77,780	78,348	109,311	106,216
Other Liabilities	(247)	(312)	(261)	(330)	3,056	4,277	7,252	7,383
Total Non-Current Liabilities	**47,182**	**49,426**	**49,901**	**52,273**	**80,836**	**82,625**	**116,563**	**113,599**
NET ASSETS	**34,146**	**25,537**	**34,075**	**24,800**	**(13,391)**	**(14,713)**	**29,738**	**25,006**

(iii) Unrecognised losses of joint ventures carried forward

Particulars	Accumulated as on 31.03.2019		For Year Ended 31.03.2019		Accumulated as on 31.03.2018		For Year Ended 31.03.2018	
	Loss/ (Profit)	OCI	Loss/ (Profit)	OCI	Loss/ (Profit)	OCI	Loss/ (Profit)	OCI
India LNG Transport Co. (No. 1) Ltd.	-	-	-	-	-	-	-	-
India LNG Transport Co. (No. 2) Ltd.	-	-	-	-	-	-	-	-
India LNG Transport Co. (No. 3) Ltd.	1,877	1,605	(186)	(157)	2,063	1,762	(221)	(1,120)
India LNG Transport Co. (No. 4) Ltd.	-	-	-	-	-	-	-	-

Negative amount reflect previous year losses recognised during the year due to profit earned or further investment in the joint venture.

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(iv) Reconciliation to carrying amounts

Particulars	ILT 1		ILT 2		ILT 3		ILT 4	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Opening Net assets	25,537	16,645	24,800	17,189	(14,713)	(19,870)	25,006	14,512
Profit for the year	7,313	7,311	8,051	5,954	717	848	5,633	5,450
Other Comprehensive Income	1,295	1,580	1,226	1,655	605	4,308	(903)	5,045
Share capital issued during the year								
Closing Net Assets	**34,147**	**25,537**	**34,075**	**24,800**	**(13,391)**	**(14,713)**	**29,738**	**25,006**
Groups share in %	29.08%	29.08%	29.08%	29.08%	26.00%	26.00%	26.00%	26.00%
Groups share in INR	9,930	7,427	9,910	7,212	(3,482)	(3,825)	7,732	6,502
Carrying Amount*	**9,930**	**7,427**	**9,910**	**7,212**	**-**	**-**	**7,732**	**6,502**

* As per Ind AS 28 losses are recognised to the extent of investment made.

(v) Summarised statement of profit and loss

Particulars	ILT 1		ILT 2		ILT 3		ILT 4	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March 2019	31st March, 2018
Revenue	17,152	17,056	18,760	15,659	18,800	17,218	19,550	22,278
Other Income	119	85	125	455	25	16	0	69
Depreciation and Ammortisation	4,069	3,747	5,060	3,807	5,044	4,622	0	925
Interest Expense	3,320	3,589	3,405	3,667	9,731	9,071	6,924	9,001
Income tax expense	6	5	6	5	6	5	0	0
Other Expense	2,563	2,490	2,363	2,682	3,328	2,688	6,993	6,970
Profit for the year	**7,313**	**7,311**	**8,051**	**5,954**	**717**	**848**	**5,633**	**5,450**
Other Comprehensive Income	1,295	1,580	1,226	1,655	605	4,308	(903)	5,045
Total Comprehensive Income	**8,608**	**8,891**	**9,277**	**7,609**	**1,322**	**5,156**	**4,730**	**10,495**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 51: Additional Information required by Schedule III (Division II)

Information under Companies Act 2013	Net Assets (total assets minus total liabilities)		Share in profit/loss		Share in other comprehensive income		Share in total comprehensive income	
Particulars	**As % of consolidated net assets**	**Amount (Rs. in lacs)**	**As % of consolidated profit/ loss**	**Amount (Rs. in lacs)**	**As % of consolidated other comprehensive income**	**Amount (Rs. in lacs)**	**As % of consolidated total comprehensive income**	**Amount (Rs. in lacs)**
Parent								
The Shipping Corporation of India Ltd.								
31st March 2019	96%	690,754	195%	(12,199)	53%	564	224%	(11,635)
31st March 2018	97%	702,390	83%	25,375	0%	1,103	78%	26,478
Joint Ventures (Investment as per equity method)								
India LNG Transport Co. (No. 1) Ltd.								
31st March 2019	1%	9,930	(34%)	2,127	35%	377	(48%)	2,503
31st March 2018	1%	7,427	7%	2,126	0%	459	8%	2,586
India LNG Transport Co. (No. 2) Ltd.								
31st March 2019	1%	9,910	(37%)	2,341	34%	356	(52%)	2,698
31st March 2018	1%	7,212	6%	1,732	0%	481	7%	2,214
India LNG Transport Co. (No. 3) Ltd.								
31st March 2019	0%	-	0%	-	0%	-	0%	-
31st March 2018	0%	-	0%	-	0%	-	0%	-
India LNG Transport Co. (No. 4) Ltd.								
31st March 2019	1%	7,732	(23%)	1,465	(22%)	(234)	(24%)	1,230
31st March 2018	1%	6,502	5%	1,417	0%	1,312	8%	2,729
Subsidiary								
INLAND & COASTAL SHIPPING LTD								
31st March 2019	0%	(4)	0%	-	0%	-	0%	-
31st March 2018	0%	(4)	0%	-	0%	-	0%	-
TOTAL								
31st March 2019	**100%**	**718,322**	**100%**	**(6,267)**	**100%**	**1,063**	**100%**	**(5,204)**
31st March 2018	**100%**	**723,527**	**100%**	**30,650**	**100%**	**3,355**	**100%**	**34,007**

GLOSSARY

Aboard
Referring to cargo being put, or laden, onto a means of conveyance.

Act of God
An act beyond human control, such as lightning, flood or earthquake.

ATD
Actual Time of Departure.

Ad Valorem
In proportion to the value: A phrase applied to certain freight or customs duties levied ongoods, property, etc. set as a percentage of their value.

Aircraft Container
A unit load device (ULD) which links directly with the airplane cargo handling and restraint system.

Aframax Tanker
A vessel of 70,000 to 120,000 DWT capacity. The largest tanker size in the AFRA (average freight rate assessment) tanker rate system.

Affreightment, Contract of
An agreement by an ocean carrier to provide cargo space on a vessel at a specified time and for a specified price to accommodate an exporter or importer.

Aft
Movement toward the stern (back end) of a ship.

Agency Tariff
A tariff published by an agent on behalf of several carriers.

Agent
A person authorized to transact business for and in the name of another person or company. Types of agents are:(1) brokers (2) commission merchants (3) resident buyers (4) sales agents (5) manufacturer's representatives.

AFRA : Average Freight Rate Assessment
AFRA was commissioned originally by one of the oil majors as a sophisticated indicator of freighting values for its affiliated companies, AFRA results have been published by the London Tanker Brokers' Panel continuously since 1954. They are unique in being the only assessments of their kind to be recognised by taxation authorities as an acceptable method of charging freight between affiliated companies of multi-national groups. AFRA results are also used by oil traders and government agencies to assess the freight element in various types of oil sale agreements. AFRA results are published on the first business day of each month and cover five deadweight groups:
Medium range- 25,000 - 44,999 (long) tons dwt
Large range 1- 45,000 - 79,999 (long) tons dwt
Large range 2- 80,000 - 159,999 (long) tons dwt
VLCC- 160,000 - 319,999 (long) tons dwt
ULCC- 320,000-549,999 (long) tons dwt
In each of the five groups, tonnage is divided into three categories:
Long term charters
Short term charters
Single voyage charters

AHTSV : Anchor Handling, Towing & Supply Vessel
AHTSV's are mainly built to handle anchors for oil rigs, tow them to location, anchor them up and, in a few cases, serve as an Emergency Rescue and Recovery Vessel (ERRV). They are also used to transport supplies to and from offshore drilling rigs.

All In
The total price to move cargo from origin to destination, inclusive of all charges.

Alongside
A phrase referring to the side of a ship. Goods delivered "alongside" are to be placed on the dock or barge within reach of the transport ship's tackle so that they can be loaded.

All Risk
All Risks Coverage, a type of marine insurance, is the broadest kind of standard coverage, but excludes damage caused by war, strikes, and riots.

Allotment
A term used to describe blocked space by airlines on behalf of forwarders/shippers.

Assignment
A term commonly used in connection with a bill of lading. It involves the transfer of rights, title and interest in order to assign goods by endorsing the bill of lading.

Astern
Behind a vessel– Move in a reverse direction.

ATDNSHINC
Any time Day or Night Sundays & Holidays Included. A chartering term referring to when a vessel will work.

Athwartships
A direction across the width of a vessel.

Automated Identification System (AIS)
It is a system used by ships and Vessel Traffic Service (VTS) principally for the identification and the locating of vessels. AIS provides a means for ships to electronically exchange ship data including: identification, position, course, and speed, with other nearby ships and VTS stations.

BAF (Bunker Adjustment Factor)
An adjustment in shipping charges to offset price fluctuations in the cost of bunker fuel.

Bill of Lading (B/L)
Bills of lading are contracts between the owner of the goods and the carrier. There are two types. A straight bill of lading is nonnegotiable. A negotiable or shipper's order bill of lading can be bought, sold, or traded while goods are in transit and is used for many types of financing transactions. The customer usually needs the original or a copy as proof of ownership to take possession of the goods.

Barrel (BBL)
A term of measure referring to 42 gallons of liquid at 600 degrees.

Baltic Dry Index
The Baltic Dry Index (BDI) is a number (in USD) issued daily by the London-based Baltic Exchange. Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time charter basis, the index covers Handysize, Supramax, Panamax and Capesize bulk carriers carrying a range of commodities including coal, iron ore and grain.

Beam
The width of a ship.

BIMCO
The Baltic and International Maritime Council, the world's largest private shipping organization.

Bonded Warehouse
The Customs Service authorizes bonded warehouses for storage or manufacture of goods on which payment of duties is deferred until the goods enter the Customs Territory. The goods are not subject to duties if re-shipped to foreign points.

Bow
The front of a vessel.

Break Bulk (B/B)
For consolidated air freight, it is moved under one MAWB and each consignment designated to specific consignee or recipient is under one HAWB. When freight forwarder receives the consolidated cargo from carrier, they will break the consolidation apart per HAWB then proceed customs clearance along with associated shipping and import documents. Such Break-Bulk is normally handled by airlines or their contracted ground handling agent.

Breakbulk Vessel
A general cargo vessel designed to efficiently handle un-containerised cargo. Vessels are usually self-sustaining in that they have their own loading and unloading machinery.

GLOSSARY

Bulker
A bulk carrier, bulk freighter, or bulker is a merchant ship specially designed to transport unpackaged bulk cargo, such as grains, coal, and cement, in its cargo holds.

Bunkering
The act or process of supplying a ship with fuel. Bunker quality is highly variable across the world and LR provides ship operators and managers with independent varification of fuel quality.

Cabotage
Water transportation term applicable to shipments between ports of a nation; commonly refers to coastwise or intercoastal navigation or trade. Many nations, including the United States, have cabotage laws which require national flag vessels to provide domestic interport service.

CAF (Currency Adjustment Factor)
A freight surcharge or adjustment factor imposed by an international carrier to offset foreign currency fluctuations. In some cases an emergency currency adjustment factor (ECAF) may be applied when a charge or rate has been originally published in a currency that is experiencing sustained or rapid decline. The CAF is charged as a percentage of the freight.

Capesize Vessel
A dry bulk vessel above 80,000dwt or whose beam precludes passage via the Panama Canal and thus forces them to pass around Cape Horn or the Cape of Good Hope.

Clean Bill of Lading
A receipt for goods issued by a carrier with an indication that the goods were received in apparent good order and condition, without damages or other irregularities.

Classification
The development, implementation an maintenance of standards (Rules) for the design, construction and operation of ships and offshore units. Compliance with these standards ensures assignment and maintenance of class.

Classification Society
An organization maintained for the surveying and classing of ships so that insurance underwriters and others may know the quality and condition of the vessels offered for insurance or employment.

Commercial Invoice
The commercial invoice is a bill for the goods from the seller to the buyer. These invoices are often used by governments to determine the true value of goods for the assessment of customs duties and are also used to prepare consular documentation. Governments using the commercial invoice to control imports often specify its form, content, number of copies, language to be used, and other characteristics.

Consignee
The person or firm named in a freight contract to whom goods have been consigned or turned over. For export control purposes, the documentation differentiates between an intermediate consignee and an ultimate consignee.

Consignment
Delivery of merchandise from an exporter (the consignor) to an agent (the consignee) under agreement that the agent sell the merchandise for the account of the exporter. The consignor retains title to the goods until sold. The consignee sells the goods for commission and remits the net proceeds to the consignor.

Consolidation
In order to handle small lot of consignment efficiently and competitively, freight forwarder usually put many consignments into one lot then tender to carrier for forwarding. In this case, each consignment will be shipped with one HAWB respectively and all of them will be under one master AWB.

Container
A truck trailer body that can be detached from the chassis for loading into a vessel, a rail car or stacked in a container depot. Containers may be ventilated, insulated, refrigerated, flat rack, vehicle rack, open top, bulk liquid or equipped with interior devices. A container may be 20 feet, 40 feet, 45 feet, 48 feet or 53 feet in length, 8'0" or 8'6" in width, and 8'6" or 9'6" in height.

Cost and Freight (C&F)
Cost and Freight (CFR) to a named overseas port of import. Under this term, the seller quotes a price for the goods that includes the cost of transportation to the named point of debarkation. The cost of insurance is left to the buyer's account. (Typically used for ocean shipments only. CPT, or carriage paid to, is a term used for shipment by modes other than water.) Also, a method of import valuation that includes insurance and freight charges with the merchandise values.

Cost, Insurance and Freight (CIF)
Cost, insurance, and freight (CIF) to a named overseas port of import. Under this term, the seller quotes a price for the goods (including insurance), all transportation, and miscellaneous charges to the point of debarkation for the vessel. (Typically used for ocean shipments only. CIP, or carriage and insurance paid to, is a term used for shipment by modes other than water.)

Dangerous Goods
Commodities classified by IATA according to its nature and characteristic in terms of the effect of its danger to carrier's flying safety.

***Deadweight Tonnage (DWT)**
The maximum weight of cargo and stores that a ship can carry.

Deadweight Tonnage (DWT)
The number of tons of 2,240 pounds that a vessel can transport of cargo, stores and bunker fuel. It is the difference between the number of tons of water a vessel displaces "light" and the number of tons it displaces when submerged to the "load line." An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.

Demurrage
A penalty charge against shippers or consignees for delaying the carrier's equipment or vessel beyond the allowed free time. The free time and demurrage charges are set forth in the charter party or freight tariff.

Despatch
An incentive payment paid by the vessel to the charterer for loading and unloading the cargo faster than agreed.Usually negotiated only in charter parties. Also called "dispatch."

Directorate General of Shipping (DGS)
The role of Indian Maritime Administration has been well brought out in the Indian Merchant Shipping 1958. The Merchant Shipping Act is the legislation in India for maritime development and effective enforcement of standards. The Directorate General of Shipping as the executive arm fully administers this legislation.

Dimensional Weight

Also called measurement weight. This is the size of consignment calculated by total square feet by 6000. Carrier charge for freight based on the dimensional weight or actual gross weight whichever is higher.

Direct Ship
Ship without consolidation and under one MAWB ie non-consolidation.

D.O.E : Direct Operating Expenses:
Direct Operating Expenses are voyage related expenses. Whenever a vessel undertakes a voyage, steaming from one port to another port, expenses incurred such as Bunker (fuel), Port Dues, Fresh water, stevedoring Charges, Agency fees and other voyage related expenses are called Direct Operating Expenses.

G.O.P. (Gross Operating Profit)

G.O.P. = Earnings/(Freight) – D.O.E

N.O.P. (Net Operating Profit) = G.O.P. – I.O.E.

EDI
EDI, Electronic Data Interchange for Administration, Commerce, and Transportation, is an international syntax used in the interchange of electronic data. Customs uses EDI to interchange data with the importing trade community.

ETA
Estimated Time of Arrival. Then, It normally takes 3 hours for carriers to Break Bulk then ready to be picked up by forwarders along with customs release notification.

GLOSSARY

ETD
Estimated Time of Departure. The cut-off time for carriers' cargo ramp handling is normally two hours ahead of ETD. However, the freight forwarders' consolidation cut-off time may vary depending on each forwarder's operations respectively.

FCL or CY
Full Container Load, also known as CY. CY is the abbreviation of Container Yard. When the term CY to CY, it means full container load all the way from origin to destination.

Federal Maritime Commission
The FMC is an independent agency which regulates oceanborne transportation in the foreign commerce and in the domestic offshore trade of the United States.

Flat Rack Containers
Especially for heavy loads and over-dimensional cargo. Containers do not have sides or a top. This allows easy fork-lift and crane access.

Fore and Aft
The direction on a vessel parallel to the center line.

Forty-Foot Equivalent Unit (FEU)
FEU is a measure of a ship's cargo-carrying capacity. One FEU measures forty feet by eight feet by eight feet -- the dimensions of a standard forty-foot container. An FEU equals two TEUs.

Free Alongside Ship
Free Alongside Ship, FAS, at a named port of export. Under FAS, the seller quotes a price for the goods that includes charges for delivery of the goods alongside a vessel at the port of departure. The seller handles the cost of unloading and wharfage; loading, ocean transportation, and insurance are left to the buyer. FAS is also a method of export and import valuation.

Free Carrier (FCA)
Free Carrier, FCA, to a named place. This term replaces the former "FOB named inland port" to designate the seller's responsibility for the cost of loading goods at the named shipping point. It may be used for multimodal transport, container stations, and any mode of transport, including air.

Free On Board (FOB)
Common price term used in international trade meaning seller's responsible for the cost of goods is to the point of loading it to the vessel deck or aircraft loading deck. The risk of loss of or damage to the goods is transferred from the seller to the buyer when the goods have been so delivered. FOB normally comes with port of loading either airport or sea port.

Freight Carriage ... and Insurance paid to
This term is the same as "Freight/Carriage Paid to ..." but with the addition that the seller has to procure transport insurance against the risk of loss of damage to the goods during the carriage. The seller contracts with the insurer and pays the insurance premium.

Freight Carriage ... paid to
Like C & F, "Freight/Carriage paid to ..." means that the seller pays the freight for the carriage of the goods to the named destination. However, the risk of loss of or damage to the goods, as well as of any cost increases, is transferred from the seller to the buyer when the goods have been delivered into the custody of the first carrier and not at the ship's rail. The term can be used for all modes of transport including multi-modal operations and container or "roll on-roll off" traffic by trailer and ferries. When the seller has to furnish a bill of lading, waybill or carrier's receipt, he duly fulfills this obligation by presenting such a document issued by the person with whom he has contracted for carriage to the named destination. (Also see incoterms)

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

Freight for All Kinds (FAK)
FAK is a shipping classification. Goods classified FAK are usually charged higher rates than those marked with a specific classification and are frequently in a container which includes various classes of cargo.

***Gross Tonnage (GT)**
Gross tonnage is a function of the moulded volume of all enclosed spaces of the ship. It forms tha basis on which manning rules and safety regulations are applied, and registration fees determined.

Gross Tonnage (GT)
Applies to vessels, not to cargo, (0.2+0.02 log10V) where V is the volume in cubic meters of all en¬closed spaces on the vessel. Since 1994, it replaces "Gross Registered Tonnage." An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.

Handysize
Most usually refers to a dry bulk vessel with deadweight of up to 50,000 tonnes. This allows the ships to enter smaller ports to pick up cargoes. Vessels of deadweight of above 35,000 tonnes are referred to as Handymax bulkers (typically 35,000 - 50,000 tons deadweight).

Handymax and Supramax are naval architecture terms for a bulk carrier, in a series that is called Handysize class. Handysize class consists of Supramax (50,000 to 60,000 DWT), Handymax (40,000 to 50,000 DWT), and Handy (<40,000 DWT). The ships are used for less voluminous cargos, even allowing for combining different cargos in different holds.

I.M.D.G. Code
International Maritime Dangerous Goods Code. The regulations published by the IMO for transporting hazardous materials internationally.

Incoterms
Maintained by the International Chamber of Commerce (ICC), this codification of terms is used in foreign trade contracts to define which parties incur the costs and at what specific point the costs are incurred. (also see incoterm section)

I.O.E : Indirect Operating Expenses
Indirect Operating Expenses are those expenses incurred by the owner of the vessel towards and includes maintenance, stores, spares, repairs, insurance, victualling and other management overheads.

Indian Register of Shipping (IRS)
The Indian Register of Shipping (IRS) is an internationally recognized, independent ship classification society which was founded in India in 1975. In 1991, the IRS was admitted as an Associate Member of the International Association of Classification Societies (IACS) which is the major international body of classification societies. It is managed by a Committee of Management which has representatives from each of the industry segments that use its services. These include representatives from the maritime industries, underwriters, general engineering, government agencies and defense services. They are further supported by sub-committees such as the Technical Committee, the Classification Sub-committee, the Quality Sub-committee and the Research Advisory Sub-committee for all operational aspects of IRS which cover marine, offshore and industrial services.

Intermediate Consignee
An intermediate consignee is the bank, forwarding agent, or other intermediary (if any) that acts in a foreign country as an agent for the exporter, the purchaser, or the ultimate consignee, for the purpose of effecting delivery of the export to the ultimate consignee.

Intermodal
Movement of goods by more than one mode of transport, ie. airplane, truck, railroad and ship.

International Association of Classification Societies (IACS)
A membership organisation that contributes to maritime safety and regulation through technical support, compliance verification and research and development.

GLOSSARY

More than 90%of the world's cargo-carrying tonnage is covered by the classification rules and standards set by the 13 member societies of IACS.

International Maritime Organisation (IMO)
The specialised agency of the United Nations with responsibility for safety and security at sea and the prevention of marine pollution from ships. Established in 1948, IMO first met in 1959 and is the only United Nations agency with its headquarters in London.

International Ship and Port Security Code (ISPS)
It is an amendment to the Safety of Life at Sea (SOLAS) Convention (1974/1988) on minimum security arrangements for ships, ports and government agencies. Having come into force in 2004, it prescribes responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade."

Irrevocable Letter of Credit
A letter of credit in which the specified payment is guaranteed by the issuing bank if all terms and conditions are met by the drawee. It is as good as the issuing bank.

ISO (Internation Organization for Standardization)
An independent, non-governmental standard-setting body composed of representatives from 165 national standards organisations. International standards give world-class specirfications for products, services and systems to ensure quality, safety and efficiency. They are instrumental in facilitating international trade.

ISO 9001
The international management systems standard concerned with quality management – what an organisation does to ensure customer need and expectations and applicable regulatory requirements, and continually to improve its quality performance.

Kamsarmax
A Kamsarmax type bulk carrier is basically a 82,000 dwt Panamax with an increased LOA = 229 m (for Port Kamsar in Equatorial Guinea).

LCL
Less than Container Load, consolidated container load.

LDT (Light Displacement Tonnage)
Light Displacement Ton (Tonnage). It is also called Displacement Light Weight of the vessel without stores, bunker, fresh water, cargo and passengers. Usually used for vessels for scrapping.

***LNG (Liquefied Natural Gas)**
Natural gas changes to a liquid at – 162C, creating LNG. When liquefied, the gas is reduced to 1/600th of its original volume making it economic to transport in specially designed

LNG (Liquefied Natural Gas)
Natural gas will liquefy at a temperature of approximately -259 F or -160 C at atmospheric pressure. One cubic foot of liquefied gas will expand to approximately 600 cubic feet of gas at atmospheric pressure.

LNGC
(LNG Carrier) An ocean-going ship specially constructed to carry LNG in tanks at -160 C. Current average carrying capacity of LNGs is 125,000 cubic metres. Many LNGCs presently under construction or on order are in the 210,000 – 215,000 cubic metre range.

Liquefied Petroleum Gas (LPG)
Not to be confused with LNG, LPG is often called 'propane' as it is made of various mixtures of propane and other similar types of hydrocarbon gases. These hydrocarbons are gases at rooms temperature, but turn to liquid when they are compressed. LPG is stored in special tanks that keep it under pressure, so it stays a liquid. While the distribution of LNG requires heavy infrastructure investments, LPG is more easily transported.

Load Line
The waterline corresponding to the maximum draft to which a vessel is permitted to load, either by freeboard regulations, the conditions of classification, or the conditions of service.

LR1 : Long Range 1, mostly refers to the product tanker with DWT in the range between 55000 to 79999 tons.

LR2 : Long Range 2, mostly refers to the product tanker with DWT in the range between 80000-159999 tons.

Marine Cargo Insurance
Broadly, insurance covering loss of, or damage to, goods at sea. Marine insurance typically compensates the owner of merchandise for losses in excess of those which can be legally recovered from the carrier that are sustained from fire, shipwreck, piracy, and various other causes. Three of the most common types of marine insurance coverage are "free of particular average" (f.p.a.), "with average" (w.a.), and "All Risks Coverage."

Maritime Labour Convention
The international Labour Organization's Convention, known as 'MLC, 2006' came into force in August 2013, effectively becoming binding in international law. It is currently ratified by 56 ILO member states responsible for regulating conditions for seafarers on more than 80% of the world's gross tonnage of ships. It establishes minimum working and living standards on those ships.

MR : Medium Range Tanker, mostly refers to the product tanker with DWT in the range between 25000-54999 tons.

Net Tonnage (NT)
The replacement, since 1994, for "Net Register Tonnage." Theoretically the cargo capacity of the ship. Sometimes used to charge fees or taxes on a vessel. The formula is(0.2+0.02 log10(Vc)) Vc (4d/3D)2, where Vc is the volume of cargo holds, D is the distance between ship's bottom and the uppermost deck, d is the draught) "Ton" is figured as a 100 cubic foot ton. An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.

Non–Vessel Operating Common Carrier (NVOCC)
A cargo consolidator in ocean trades who will buy space from a carrier and sub–sell it to smaller shippers. The NVOCC issues bills of lading, publishes tariffs and otherwise conducts itself as an ocean common carrier, except that it will not provide the actual ocean or intermodal service.

O.E.C.D.
Organization of Economic Cooperation and Development, headquartered in Paris with membership consisting of the world's developed nations.

On Board
A notation on a bill of lading that cargo has been loaded on board a vessel. Used to satisfy the requirements of a letter of credit, in the absence of an express requirement to the contrary.

On Deck
A notation on a bill of lading that the cargo has been stowed on the open deck of the ship.

P&I
Abbreviation for "Protection and Indemnity," an insurance term.

Panamax Vessel
The largest size vessel that can traverse the Panama Canal. Current maximum dimensions are: Length 294.1 meters (965 feet); width 32.3 meters (106 feet); draft 12.0 meters (39.5 feet) in tropical fresh water; height 57.91 meters (190 feet) above the water.

POD
Proof Of Delivery, or a cargo/package receipt with the signature of recipient. This term has been widely used in courier and express industry and also gaining more attention and implementation at air cargo industry..

Packing List
A shipping document issued by shipper to carrier, Customs and consignee serving the purposes of identifying detail information of package count, products count, measurement of each package, weight of each package, etc.

GLOSSARY

Port –
Harbor with piers or docks. – Left side of a ship when facing forward.

Port state control
The inspection of foreign ships in national ports to verify that the condition of the ship and its equipment complies with the requirements of international conventions and that the ship is manned and operated in compliance with these rules.

Pro Forma Invoice
An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, and similar characteristics). When an importer applies for Letter of Credit as the means of payment, a Pro Forma Invoice from the beneficiary of such Letter of Credit, usually the exporter, is required by the L/C issuing bank.

Project Cargo
This is a term normal referred to when shipping cargo air or sea, which does not fall within standard methods. Ie over-height, or oversize cargo which requires special equipment and handle.

PSV
A Platform supply vessel (often abbreviated as PSV) is a ship specially designed to supply offshore oil platforms. These ships range from 20 to 100 meters in length and accomplish a variety of tasks. The primary function for most of these vessels is transportation of goods and personnel to and from offshore oil platforms and other offshore structures

Roll-on, Roll-off (RORO)
A type of ship designed to load and discharge cargo which rolls on wheels or tracks.

Shipping Mark
The letters, numbers or other symbols placed on the outside of cargo to facilitate identification.

Shipping Weight
Shipping weight represents the gross weight in kilograms of shipments, including the weight of moisture content, wrappings, crates, boxes, and containers (other than cargo vans and similar substantial outer containers).

Starboard
The right side of a ship when facing the bow.

Stern
The end of a vessel. Opposite of bow.

Stevedore
Individual or firm that employs longshoremen and who contracts to load or unload the ship.

Suezmax Tanker
Suezmax is a naval architecture term for the largest ship measurements capable of transiting the Suez canal in a laden condition, and is almost exclusively used in reference to tankers. Since the canal has no locks, the only serious limiting factors are draft (maximum depth below waterline) and height due to the Suez Canal Bridge. The current channel depth of the canal allows for a maximum of 20.1 m (66 ft) of draft. The typical deadweight of a Suezmax ship is about 160,000 tons.

Supramax
Bulk carriers with a capacity between 50,000 and 60,000 dwt. These 'bulkers' are well suited for small ports with length and draught restrictions, or ports lacking transshipment infrastructure.

Tare Weight
The weight of a ULD and tie down materials without the weight of the goods it contains.

Through Bill of Lading
A single bill of lading covering receipt of the cargo at the point of origin for delivery to the ultimate consignee, using two or more modes of transportation.

Time Charter (TC)
A time charter is the hiring of a vessel for a specific period of time; the owner still manages the vessel but the charterer selects the ports and directs the vessel where to go. The charterer pays for all fuel the vessel consumes, port charges, commissions, and a daily hire to the owner of the vessel.

Transshipment
Transshipment refers to the act of sending an exported product through an intermediate country before routing it to the country intended to be its final destination.

***Twenty-Foot Equivalent Unit (TEU)**
The measure used for container capacity, a teu is a volume measurement equal to one standard 20 ft (length 6.1 meter; approximately 39 cubic meters) container.

Twenty-Foot Equivalent Unit (TEU)
TEU is a measure of a ship's cargo-carrying capacity. One TEU measures twenty feet by eight feet by eight feet -- the dimensions of a standard twenty-foot container. An FEU equals two TEUs.

Ultimate Consignee
The ultimate consignee is the person located abroad who is the true party in interest, receiving the export for the designated end-use.

ULCC
Ultra Large Crude Carrier. A tanker in excess of 320,000dwt.

VLCC
Very Large Crude Carrier. A tanker of 200,000 to 319,000dwt. It can carry about 2 million barrels of crude oil.

Wharfage
A charge assessed by a pier or dock owner for handling incoming or outgoing cargo.

Worldscale
Worldscale is a unified system of establishing payment of freight rate for a given oil tanker's cargo. Worldscale was established in November 1952 by London Tanker Brokers' Panel on the request of British Petroleum and Shell as an average total cost of shipping oil from one port to another by ship. A large table was created for this purpose.

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

CERTIFICATE OF APPROVAL

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

This is to certify that the Quality Management Systems of

Organisation: The Shipping Corporation of India Limited

Address: H.O.: "Shipping House",
245, Madame Cama Road,
Nariman Point, Mumbai- 400 021

Support Location & Scope: Refer Annexure

has been assessed and found conforming to the following requirement

Standard: ISO 9001:2015

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

Certificate No.: IRQS/18101546

Original Certification Date : 23/12/2015

Current Date of Granting : 21/12/2018

Expiry Date : 21/12/2021

Indian Register Quality Systems

MGMT. SYS
RvA C071

Shashi Nath Mishra
Head IRQS

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

COA/IRQS/RvA/QMS/Rev 00

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

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

Annexure to Certificate No. IRQS/18101546
Establishment/Feet, Addresses & Applicable Scope

M/s. The Shipping Corporation of India Limited

Location	Scope
SCI -Chennai Regional Office Jawahar Building, Rajaji Salai, Chennai - 600 001	Co-ordination, Liason with Head Office & Fleet Management
SCI - Kolkata Regional Office Shipping House, 13 Strand Road, Kolkata - 700 001	Co-ordination, Liason with Head Office & Fleet Management
SCI- Delhi Regional Office Chandralok , 1st Floor, 36, Janpath, New Delhi - 110 001	Liasoning with Internal & External Agencies
SCI - Port Blair Regional Office Gati Coast to Coast Building, No:99, J.L. Nehru Road, P.B. No: 310, Delanipur, Port Blair - 744 101	Co-ordination with Kolkata & HO and Technical Management of A&N ships
Maritime Institutes MTI- Powai Adi Shankaracharya Marg, Powai - 400 072, Mumbai, Maharashtra , India	Maritime Training Services
Port/Terminal Konkan LNG Pvt. Ltd., Dabhol, Ratnagiri, Maharashtra - LNG Port Operations	Port/Terminal Operations Management
Entire Fleet	Shipboard Operations

Shashi Nath Mishra
Head IRQS

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

CERTIFICATE OF APPROVAL

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

This is to certify that the Environmental Management Systems of

Organisation: The Shipping Corporation of India Limited

Address: H.O.: "Shipping House",
245, Madame Cama Road
Nariman Point, Mumbai- 400 021

Support Location & Scope: Refer Annexure

has been assessed and found conforming to the following requirement

Standard: ISO 14001:2015

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

Certificate No.: IRQS/18301547

Original Certification Date : 23/12/2015

Current Date of Granting : 21/12/2018

Expiry Date : 21/12/2021

Indian Register Quality Systems

MSMS SYS
RvA C071

Shashi Nath Mishra
Head IRQS

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

COA/IRQS/RvA/EMS/Rev 00

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

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

Annexure to Certificate No. IRQS/18301547
Establishment/Feet, Addresses & Applicable Scope

M/s. The Shipping Corporation of India Limited

Location	Scope
SCI -Chennai Regional Office Jawahar Building, Rajaji Salai, Chennai - 600 001	Co-ordination, Liason with Head Office & Fleet Management
SCI - Kolkata Regional Office Shipping House, 13 Strand Road, Kolkata - 700 001	Co-ordination, Liason with Head Office & Fleet Management
SCI- Delhi Regional Office Chandralok , 1st Floor, 36, Janpath, New Delhi - 110 001	Liasoning with Internal & External Agencies
SCI - Port Blair Regional Office Gati Coast to Coast Building, No:99, J.L. Nehru Road, P.B. No: 310, Delanipur, Port Blair - 744 101	Co-ordination with Kolkata & HO and Technical Management of A&N ships
Maritime Institutes MTI- Powai Adi Shankaracharya Marg, Powai - 400 072, Mumbai, Maharashtra , India	Maritime Training Services
Port/Terminal Konkan LNG Pvt. Ltd., Dabhol, Ratnagiri, Maharashtra - LNG Port Operations	Port/Terminal Operations Management
Entire Fleet	Shipboard Operations

Shashi Nath Mishra
Head IRQS

IRCLASS

SYSTEMS AND SOLUTIONS PRIVATE LIMITED

CERTIFICATE OF APPROVAL

Issued by Indian Register Quality Systems

(A Division of IRCLASS Systems and Solutions Private Limited)

This is to certify that the Occupational Health & Safety Management Systems of

Organisation: The Shipping Corporation of India Limited

Address: H.O.: "Shipping House",
245, Madame Cama Road
Nariman Point, Mumbai- 400 021

Support Location & Scope: Refer Annexure

has been assessed and found conforming to the following requirement

Standard: ISO 45001:2018

Scope:

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

Certificate No.: IRQS/18401548

Original Certification Date : 23/12/2015

Current Date of Granting : 21/12/2018

Expiry Date : 21/12/2021

Indian Register Quality Systems

NABCB OHSMS 007

Shashi Nath Mishra
Head IRQS

This approval is subject to continued satisfactory maintenance of the Occupational Health and Safety Management Systems of the organization to the above standard, which will be monitored by IRQS. The use of the Accreditation Mark indicates accreditation with respect to activities covered by the certificate with accreditation no. OHSMS 007. Condition Overleaf COA/IRQS/NABCB/OHSMS/Rev 00

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

IRCLASS
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

Annexure to Certificate No. IRQS/18401548
Establishment/Feet, Addresses & Applicable Scope

M/s. The Shipping Corporation of India Limited

Location	Scope
SCI -Chennai Regional Office Jawahar Building, Rajaji Salai, Chennai - 600 001	Co-ordination, Liason with Head Office & Fleet Management
SCI - Kolkata Regional Office Shipping House, 13 Strand Road, Kolkata - 700 001	Co-ordination, Liason with Head Office & Fleet Management
SCI- Delhi Regional Office Chandralok , 1st Floor, 36, Janpath, New Delhi - 110 001	Liasoning with Internal & External Agencies
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Maritime Institutes MTI- Powai Adi Shankaracharya Marg, Powai - 400 072, Mumbai, Maharashtra , India	Maritime Training Services
Port/Terminal Konkan LNG Pvt. Ltd., Dabhol, Ratnagiri, Maharashtra - LNG Port Operations	Port/Terminal Operations Management
Entire Fleet	Shipboard Operations

Shashi Nath Mishra
Head IRQS

SCI
Navratna Company
(ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified)

The Shipping Corporation Of India Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)

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

CIN No. L63030MH1950GOI008033 Website : www.shipindia.com

FORM MGT-11

PROXY FORM

69th ANNUAL GENERAL MEETING ON 25.09.2019

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :		
Registered address :		
E-mail ID :	DP ID: / Client ID:	Folio No.

I / We, being the member(s) of ____________ shares of The Shipping Corporation of India Ltd., hereby appoint:

1) Name: Address :
Email ID : Signature: or failing him

2) Name: Address :
Email ID : Signature: or failing him

3) Name: Address :
Email ID : Signature:

As my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 69th Annual General Meeting of the company, to be held on the 25.09.2019 at 3.30 p.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Description	For *	Against *
Ordinary Business			
1.	Adoption of Standalone and Consolidated Financial Statements for the year ended 31.03.2019		
2.	Re-appointment of Smt H.K.Joshi, who retires by rotation		
3.	Fixation of remuneration of auditors for the Financial Year 2019-20		
Special Business			
4.	Appointment of Shri Mavjibhai Bhikhabhai Sorathia as Non-Official Part Time (Independent) Director		
5.	Reappointment of Shri Arun Balakrishnan as Non-Official Part Time (Independent) Director		

Signed this ____________ day of ______ 2019, Signature of shareholder ______________________

Affix Revenue Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
(2) A Proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.
(3) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 69th Annual General Meeting.
(4) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
*(5) It is optional to put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote (on poll) at the meeting in the manner as he/ she thinks appropriate.
(6) Appointing a proxy does not prevent a member from attending the meeting in person if he/ she so wishes. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy will stand automatically revoked.

CSR Activities

Project for Construction of Girls Hostel for Underprivileged Girls

SCI undertook the project of constructing a two storied building (girls hostel) for accommodating 36 underprivileged (dropouts) girl students near Kolkata. The hostel was inaugurated on 02.06.2019 and the same is taken care by Uddipan Educational Trust (UET).

The hostel will provide free boarding & lodging, admission to local schools with school dresses, books, stationeries and conveyance etc., regular evening coaching by adequate teachers in respective subjects, English speaking classes, computer awareness, sports & yoga etc., medical insurance facilities and regular health check-ups, higher education support depending on the merit of the students and special coaching assistance for job related competitive examinations etc.

SCI employees donated to Kerala Chief Minister's Distress Relief Fund (CMDRF)

Employees of The Shipping Corporation of India Ltd (SCI) have contributed to the Kerala Chief Minister's Distress Relief Fund (CMDRF) to extend whole-hearted support to the flood affected people of Kerala. The amount thus collected was handed over to Shri Pinarayi Vijayan, Hon'ble Chief Minister of Kerala at his Office in Thiruvananthapuram on 30.10.2018 by Shri Rajesh Sood, Director (T&OS) of SCI.

Kerala was affected by severe floods in Aug 2018 due to unusually high rainfall, which has been reported as one of the worst floods in a century. The employees of SCI have donated their one day's salary to contribute to the recovery and rebuilding of the State.

Project for Technical Skill Development Training of Divyangjan

The project aimed to provide skill training to the divyangjan to make them capable and self-dependent through proper technical training in the field of traditional and technical occupations and entrepreneurship.

Through this project, SCI supported 347 Divyangjans who were enrolled for technical training in trades like Mobile Handset Repairing, Assistant Beauty Therapist & Sewing Machine Operator. The project was implemented at Sindhudurg, Raigad & Osmanabad (aspirational district) in Maharashtra.

Project for distribution of Cloth Bags

SCI distributed 10000 Re-usable cloth bags to local communities including children studying to municipal schools to encourage them to not to use plastic bags. The program was initiated in view of the plastic ban in Maharashtra as part of Swachhata Hee Sewa Abhiyan 2018.

SCI WIPS

Funds raised through CSR Food Mela and the additional voluntary contribution by SCI employees brought smiles on many adolescent kids of Aaryashree Foundation. Aaryashree Foundation is working for providing better life skills, education and hygiene for adolescent girls and women of three slums at Belapur – Navi Mumbai. The organization had requested for aid for their training centre. SCI WIPS Committee identified their requirement for Computer and Sewing machine. SCI WIPS gifted Aaryashree Foundation the required aid in form of Diwali and Children's Day Gift.

SCI was conferred with 1st Prize for Best Enterprise Award, a tribute to Excellence in Public Enterprise Management under Navratna Category in recognition of the commendable work done by the enterprise for the development of women in the Organisation at 29th National Meet of WIPS, at SCOPE Convention Centre, New Delhi on 12th February 2019.

IRQS
A DEPARTMENT OF INDIAN REGISTER OF SHIPPING

भारतीय नौवहन निगम लिमिटेड
The Shipping Corporation Of India Ltd.

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

MGMT. SYS
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