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A Navratna Company
ISO 9001:2008

भारतीय नौवहन निगम लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय: शिपिंग हाउस, 245 मादाम कामा रोड, मुंबई - 400 021

फोन: 91-22-2202 6666, 2277 2000 फैक्स: 91-22-2202 6905 वेबसाइट: www.shipindia.com

The Shipping Corporation Of India Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)

Regd. Office: Shipping House, 245, Madame Cama Road, Mumbai-400 021. Ph: 91-22 2202 6666, 2277 2000

Fax: 91-22 22026905 • Website: www.shipindia.com



एक कदम स्वच्छता की ओर
www.shipindia.com

सीआइएन/CIN-L63030MH1950G01008033

Ref.No: A10-SEC- BD-808

26.09.2018

To,

Corporate Relationship Department,
Bombay Stock Exchange Ltd,
1st Floor, New Trading Ring, Rotunda
Building, P.J. towers,
Dalal Street, Fort,
MUMBAI – 400 001

The Manager,
Listing Department,
The National Stock Exchange of
India Ltd., 'Exchange Plaza'
Bandra-Kurla Complex, Bandra (East)
MUMBAI - 400 051.

Dear Sir,

SUB: Proceedings of 68th Annual General Meeting and Chairman's speech

Pursuant to Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the gist of proceedings of 68th Annual General Meeting of The Shipping Corporation of India Ltd held on 25.09.2018 and copy of Chairman's statement.

Kindly take it on your record.

Thanking You,

Yours Faithfully,

26/09/2018
The Manager,
Listing Department,
The National Stock Exchange of
India Ltd., 'Exchange Plaza'
Bandra-Kurla Complex, Bandra (East)
MUMBAI - 400 051.



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Proceedings of 68th Annual General Meeting

1) Date, Time Venue of Meeting :

The 68th Annual General Meeting of the Company was held on September 25th, 2018 and the meeting commenced on 1530 hrs at the registered office of the company at " Shipping House", 245, Madame cama Road, Nariman Point, Mumbai-400021.

The meeting concluded at 1710 hrs on the same day.

2) Manner of Approval:

- Pursuant to the provisions of the Companies Act, 2013 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided the remote E-voting facility to its members to cast votes electronically on all the resolutions set out in the notice.
- Further, the facility of voting through ballot was made available to the members who were present at the meeting.

3) Brief Details of Items deliberated at the Meeting and results thereof :

1. The Chairman & Managing Director Capt. Anoop Kumar Sharma took the Chair as Chairman of the Board.
2. The requisite quorum being present (30 members in terms of section 103 of the Companies Act, 2013), the Chairman called the meeting in order.
3. The Chairman introduced the Board of Directors to members.
4. The Chairman informed that the Minutes Book and the Audited Accounts for the year ended 31.03.2018 were tabled.
5. The Chairman informed that Remote E-Voting commenced on 22.09.2018 at 0900 hrs and ended on 24.09.2018 at 1700 hrs.
6. The Chairman announced that the polling facility for shareholders to cast the vote at the meeting was available.
7. At the request of the shareholder, the notice of the meeting was taken as read as it was circulated to all shareholders of the Company within the time line as specified in the law.
8. Company Secretary read the observations in the Secretarial Auditors' Report for FY 2017-18.
9. Chairman delivered his speech. Copy of Chairman's Statement is enclosed herewith separately



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The following items of business set out in Notice were put for shareholders' approval by ordinary resolution:

A. ORDINARY BUSINESS

- i. Adoption of Standalone and Consolidated Financial Statements as at 31st March, 2018 and Reports of Auditors & Directors thereon.
- ii. Reappointment of Shri S V Kher, who retires by rotation.
- iii. Fixation of Remuneration of Auditors for the Financial Year 2018-19

B. SPECIAL BUSINESS

- iv. Appointment of Smt. Sangeeta Sharma as Whole Time Director
 - v. Appointment of Shri Rajesh Sood as Whole Time Director
 - vi. Appointment of Shri Surinder Pal Singh Jaggi as Whole Time Director
 - vii. Appointment of Dr. Gautam Sinha as Independent Director
 - viii. Appointment of Shri Raj Kishore Tewari as Independent Director
 - ix. Appointment of Dr. Palanisamy Kanagasabapathi as Independent Director
 - x. Appointment of Shri Vijay Tulshiramji Jadhao as Independent Director
10. The Chairman invited queries, if any, from the members present and provided necessary clarifications / information either by himself or after seeking necessary assistance from Directors present.
11. The Chairman informed that combined voting result will be announced by 27.09.2018 to the stock exchanges and will also be displayed on our website www.shipindia.com.



Chairman's Message

Ladies and Gentlemen,

On behalf of the Board of Directors of The Shipping Corporation of India Ltd, I welcome you all to the 68th Annual General Meeting of your Company. I am pleased to place before our esteemed shareholders, the 68th Annual Report of your Company for the financial year 2017-2018. This report describes in detail the working of your Company for the financial year ended 31st March 2018. However, I would like to summarise some salient features of your Company's performance during the last financial year.

Financials

It gives me immense pleasure and satisfaction to inform you that SCl has reported a standalone net profit of Rs. 253.75 crores (consolidated net profit Rs.306.5 crores) excluding Other Comprehensive Income for the year ended 31st March 2018 as against a standalone net profit of Rs.142.28 excluding Other Comprehensive Income for the year ended 31st March 2017.

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

Global Shipping Scenario

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

In addition to the trade war dynamics, other geopolitical events such as the return of US sanctions on Iran, attack on maritime assets near the maritime borders of Yemen, war concerns in Syria, currency and debt crisis in Argentina and Turkey, economic concerns in Italy and Spain, record inflations in Venezuela etc are adding further uncertainty to the global trade. Last year was a



mixed bag of problems with OPEC agreements, increasing Crude Oil output from North America, bankruptcy of large companies, slowdown in China, cyber-attacks on maritime assets etc. This year has been far worse. Protectionism is the word that is looming large over the developed and developing economies.

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

Operations

It is heartening to see that depressed sentiments have been replaced by cautiously optimistic sentiments. During the past couple of quarters, certain segments of shipping such as Liner and Dry Bulk segments have seen some revival and moderate increase in charter rates. Maritime transport is the backbone of globalization and lies at the heart of cross-border transport networks that support supply chains and enable international trade. The longer global economic growth remains weak and lacks investment, the lower future growth potential for shipping.

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

Acquisitions and Disposals

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

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

Other Corporate developments

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

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

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

The Shipping Corporation of India Ltd. is committed to sustainable development and has taken major steps. It is a matter of profound joy and pride for the entire SCI family that our commitment has materialized in the form of the 353.5kw Solar Photo Voltaic Power Plant at SCI's Maritime Training Institute (MTI) at Powai. This plant is grid connected with net-metering arrangement. The installation of the plant, with all requisite approvals, was completed on 30th November 2016. SCI-MTI became the 1st Green Campus in Maritime Education Industry in 2017 upon its inauguration. This Roof-top Solar PV Plant, which is

one of the largest installations in Mumbai, not only contributes to the reduction in SCI's carbon footprint, but also provides substantial financial savings. SCI-MTI has already increased its solar power generation capacity to 0.5 MW and reduced its electricity bills by approx. 50 – 60% on a monthly basis.

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

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

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

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

Employee engagement

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

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

Acknowledgements

I would like to express my gratitude to the Government of India for its support to your Company. I wish to thank the Hon'ble Union Minister of Shipping Shri Nitin J. Gadkari for his leadership and for providing consistent support to your company. I would also like to thank the Hon'ble Ministers of State for Shipping, Shri Pon Radhakrishnan and Shri Mansukh L. Mandaviya for their encouragement to your Company. I wish to also express my gratitude towards Shri Gopal Krishna, Secretary (Shipping) for his guidance to your Company.

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

Captain Anoop Kumar Sharma
Chairman & Managing Director