



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



Ref.No: A10-SEC- BD-808-21

26.09.2017

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.

The Secretary
The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, KOLKATA 700 001.

Dear Sir,

SUB: Proceedings of 67th 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 67th Annual General Meeting of The Shipping Corporation of India Ltd held on 26.09.2017 and copy of Chairman's speech.

Kindly take it on your record.

Thanking You,

Yours Faithfully,

कृते भारतीय नौवहन निगम लिमिटेड
For THE SHIPPING CORPORATION OF INDIA LTD.


दिपांकर हालदार/DIPANKAR HALDAR
कार्यकारी निदेशक (विधिक मामले) एवं कंपनी सचिव
Executive Director (Legal Affairs) & Company Secretary



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Proceedings of 67th Annual General Meeting

1) Date, Time Venue of Meeting :

The 67th Annual General Meeting of the Company was held on September 26th, 2017 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 1730 hrs on the same day.

2) 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 indicated that the Minutes Book and the Audited Accounts for the year ended 31.03.2017 were kept on the table.
5. The Chairman informed that Remote E-Voting commenced on 23.09.2017 at 900 hrs and ended on 25.09.2017 at 1700 hrs.
6. The Chairman announced polling facility for shareholders to cast the vote at the meeting.
7. Company Secretary read the notice of the meeting and the qualifications/ comments/observations in the Auditors' Report for FY 2016-17.
8. Chairman delivered the speech. Copy of Chairman's Speech is enclosed herewith separately.

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 2017, and Reports of Auditors & Directors thereon.
 - ii. Reappointment of Smt. H K Joshi as a Director.
 - iii. Fixation of Remuneration of Auditors.
9. 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.
10. The Chairman informed that combined voting result will be announced by 28.09.2017 to the stock exchanges and will also be displayed on our website www.shipindia.com.



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सीआईएन/CIN-L63030MH1950G0I008033

3) 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.



Chairman's Message

Ladies and Gentlemen,

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

Financials

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

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

Global Shipping Scenario

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

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

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

Operations

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

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

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

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

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

Ship Acquisition Programme

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

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

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

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

Other Corporate developments

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

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

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

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

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

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

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

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

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

Acknowledgements

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

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

Captain Anoop Kumar Sharm
Chairman & Managing Director