



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



सीआईएन/CIN-L63030MH1950G0I008033

Ref.No.: A10-SEC-BD-808-50

14.01.2017

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,

Notice of Postal Ballot

Please find enclosed herewith the Postal Ballot Notice. The voting period is 13.01.2017 (9AM) to 11.02.2017 (6PM)

Thanking you,

Yours faithfully,

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

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



भारतीय नौवहन निगम लिमिटेड The Shipping Corporation Of India Ltd.

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"SHIPPING HOUSE" 245, Madame Cama Road,
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NOTICE OF POSTAL BALLOT

(Voting Period – 13.01.2017 to 11.02.2017)

Dear Member,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read together with the Companies (Management and Administration) Rules, 2014 and any amendment thereto, that the resolution appended hereunder is proposed to be passed as a special resolution by way of postal ballot. The explanatory statement pertaining to the aforesaid resolution setting out the material facts concerning the resolution and the reasons thereof is annexed hereto along with a postal ballot form (the "Form") for your consideration. The Board of Directors of the Company (the "Board") has appointed Shri Upendra Shukla, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (FOR) or dissent (AGAINST) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours, i.e. by 6 p.m. on 11.02.2017. Any postal ballot received beyond the said date will not be valid. Therefore, Members are requested to send the duly completed Form well before this date allowing sufficient time for postal transit.

For the shareholders outside India, if they desire to exercise their right through physical mode i.e. by posting the ballot paper duly filled in, the Company will reimburse the entire postal charges incurred by them. The said shareholder may send, through ordinary post, their ballot form duly filled in and signed, in self addressed envelope sent to you along with the aforesaid postal ballot notice. The postage charges incurred for this purpose, will be reimbursed on receipt of Postal Ballot Form by 6 p.m. on 11.02.2017. The said shareholders may also provide their email ID in order to enable us to contact them, if required, for reimbursement of postal charges.

Members desiring to opt for voting by electronic means ("e-voting") as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to postal ballot in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/ Any other officer authorised by him. The result of the postal ballot would

be announced by a Director or the Company Secretary of the Company on 17.02.2017 at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed and displayed along with the Scrutinizer's report on the Company's website viz. www.shipindia.com.

RESOLUTION

Re-deployment of Rs.330 crore received as refund from Shipyards which were originally part of the proceeds of the Further Public Offer:

"RESOLVED THAT, in partial modification of the resolution passed by the members and shareholders of the Company on 14 January 2015 through postal ballot and pursuant to the provisions of section 27 and all other applicable provisions of the Companies Act, 2013 and other applicable laws, rules, regulations, guidelines and other statutory provisions for the time being in force, approval of the members of the Company be and is hereby accorded and the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any committee authorised to exercise its powers including the powers conferred by this resolution), be and is hereby authorised by the Company to further partially vary the objects of the issue and the terms referred to in the Prospectus dated 08.12.2010, filed by the Company with the Registrar of the Companies, Maharashtra, Mumbai and other authorities (the "Prospectus") and/or to vary and / or revise the utilisation of the proceeds from the Further Public Offering ("FPO") of Equity Shares made in pursuance of the said Prospectus and to utilise the proceeds from the FPO for the purposes of acquiring any number of offshore assets including, but not limited to, anchor handling tug supply vessels (AHTSVs), platform supply vessels (PSVs), rigs, etc and Liquefied Petroleum Gas (LPG) vessels and acquisition on a sole ownership or joint ownership basis or acquisition of any such other vessels as the Board may from time to time deem appropriate, as the case may be with varying debt equity ratio during such period of time and in such manner as the Board deems fit which shall include utilization of the proceeds towards payment of balance purchase consideration, if any of any vessels already acquired by the Company or previously decided to be acquired by the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may



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arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and shareholders or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any other officer(s) / authorised representative(s) of the Company to give effect to the aforesaid resolution."

By Order of the Board of Directors

Mumbai,
Date: 16.11.2016

Dipankar Haldar
ED(LA) & Company Secretary

NOTES AND INSTRUCTIONS:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed special resolution is appended herein below along with Form for your consideration.
2. The Notice is being sent to all the Members, whose names appear in the Register of Members/ list of Beneficial Owners as received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on 06.01.2017.
3. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, notice of postal ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories are being sent this notice of postal ballot by e-mail and the members who have not registered their e-mail IDs will receive notice of postal ballot along with the Form through post/courier. Members who have received postal ballot notice by e-mail and who wish to vote using the Form, may download the Form from the 'investors' section on the Company's website www.shipindia.com. Members may submit their queries/ grievances, etc connected to postal ballot on cs@sci.co.in
4. The attached self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board and the Form after casting of the vote should be put inside the same and the envelope should be duly sealed. Envelope containing the Form will also be accepted if physical copy thereof duly sealed inside the attached postage pre-paid envelope is sent by any other mode at the expense of the Member.
5. The Form should be signed by the Member as per the specimen signature registered with the Company.
6. In case shares are jointly held, the Form should be completed and signed by the first named holder and in his/her absence, by the next named holder. Holders of Power of Attorney (PoA) on behalf of a Member may vote on the Form mentioning the Registration No. of the PoA registered with the Company or attach notarially attested copy of the PoA. Unsigned Form will be rejected.
7. Members holding shares in dematerialised form are advised, in their own interest, to get their signatures verified by their Bankers/Depository Participants ("DPs"). The signature should be verified by their Bankers/ DPs by affixing seal mentioning name and address of the Banker/ DPs and name, stamp and signature of the Authorised Signatory.
8. In case of shares held by companies, trusts, societies, etc. the duly completed Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably, with the attested specimen signature(s) of the duly Authorised Signatory(ies) giving the requisite authority to the person voting on the Form.
9. Members are requested not to send any document (other than the Resolution/ Authority as mentioned above) along with the completed Form inside the enclosed self-addressed prepaid envelope, as all such envelopes without opening will be sent to the Scrutinizer. Should any extraneous matter be found in any such envelope, the same will not be considered and would be destroyed by the Scrutinizer.
10. There will be only one Form for each Folio/ Client Id. Exercise of vote through postal ballot is not permitted through proxy.
11. Incomplete, improperly or incorrectly tick marked Form will be rejected.
12. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the Members of the Company with this postal ballot. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members, if they so opt, to cast their votes electronically instead of filling in and dispatching the Form. E-voting is optional.
The instructions for e-voting are as follows:
 - (i) The voting period begins on 13.01.2017 at 9A.M and ends on 11.02.2017 at 6 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 06.01.2017 may, if they so opt, cast their vote electronically. The e-voting



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- should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details 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.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
12. In case a shareholder votes through e-voting and also by postal ballot by filling in the Form, voting through electronic means will be taken on record and voting through postal ballot will be ignored.
 13. The Board has appointed Shri Upendra Shukla (ICSI CP Registration No 1654), Practising Company Secretary, as the Scrutinizer for conducting the postal ballot voting process (including e-voting) in accordance with law in a fair and transparent manner.
 14. The Scrutinizer shall, no later than seven working days from the conclusion of the e-voting period, unblock the votes and submit his report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.
 15. The resolutions, where assented to by the requisite majority of the Members by means of postal ballot (which shall also include the results of e-Voting), shall be deemed to have been duly passed at a general meeting convened in that behalf on the date of the announcement of the result as aforesaid on 17.02.2017.
 16. The Scrutinizer's decision on the validity of a completed Form shall be final.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the "Act") SCI had come out with FPO in the year 2010. It comprised of a fresh issue of 42,345,365 equity shares by the company

(the "Fresh Issue") and an offer for sale of 42,345,365 equity shares by the President of India (Total 84,690,730 shares). SCI had raised Rs.582.45 crore through the Fresh Issue which was 50% of the net FPO proceeds as remaining 50% was paid to the Government of India under Offer for Sale. The Company had utilized 100% of the FPO funds as contemplated under the Objects of the Issue set out in the Prospectus. However, due to default of the shipyards in fulfilling their obligations, the Company had to rescind the shipbuilding contracts for four vessels (1 kamsarmax bulk carrier and 3 nos container vessels) and re-negotiate the shipbuilding contract for one vessel (VLCC). The Company received an amount of Rs.330.65 crore as refund from the shipyards on rescission of the shipbuilding contracts. The Company had received the approval of the members and shareholders of the Company vide postal ballot on 14.01.2015 to utilise the proceeds from the FPO received on account of cancellation of contracts for the purpose of acquiring any number of offshore assets including, but not limited to, anchor handling tug supply vessels (AHTSVs), platform supply vessels (PSVs), rigs, etc and Liquefied Petroleum Gas (LPG) vessels and also for acquisition on sole ownership or joint ownership basis or acquisition of any such other vessels as the Board may from time to time deem appropriate, as the case may be with varying debt equity ratio during such period of time and in such manner as the Board deems fit.

The said amount of Rs. 330.65 crore is unutilised as on date as your company did not come across any viable proposal to invest the same.

Keeping in view the prevailing market condition, the Board of directors of SCI is of the opinion that in addition to the amended objects of the utilization as contained in the resolution passed on 14.01.2015 through postal ballot, the said amount should also be utilized towards repayment of financial obligations w.r.t. the vessels acquired by SCI since 2011 i.e. after the fresh issue of shares. One of such vessels is mt Desh Shobha towards which SCI owes approximately USD 29 million as a loan to its Joint Venture, M/s Irano Hind Shipping Company based in Tehran. The said vessel is gainfully employed in SCI's fleet and the outstanding loan is due to M/s IHSC since acquisition of the vessel. The directors who are on the board of IHSC can be considered as interested by them being the directors on the Board of IHSC. However, neither the directors of your company either individually or cumulatively hold 2% or more shares in IHSC and similarly neither the directors of IHSC individually or cumulatively hold 2% or more shares in SCI. Apart from this, None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned in the Notice.

By Order of the Board of Directors
Mumbai
16.11.2016
Dipankar Haldar
ED(Legal Affairs) & Company Secretary



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By Order of the Board of Directors

Mumbai
16.11.2016

Dipankar Halder
ED(Legal Affairs) & Company Secretary