



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

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: A10-SEC-BD-808

Date: 08.09.2020

To,

Corporate Relationship Department, Bombay Stock Exchange Ltd. , 1st floor, New Trading Road, Rotunda Building, P.J. towers, Dalal Street, Fort, Mumbai - 400001	The Manager, Listing Department, The National Stock Exchange of India Ltd. , 'Exchange Plaza', Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051.
BSE Scrip Code- 523598	NSE Trading Symbol- SCI

Sub: Corrigendum to 70th Annual Report 2019-2020

Dear Sir/ Ma'am,

The Corrigendum is being issued with reference to our letter dated 25.08.2020 with respect to Notice of the 70th Annual General Meeting (AGM) and Annual Report for the Financial Year 2019-2020.

The Shareholders of the Company are requested to read the second line of the Dividend Para on page No. 6 under 'Chairperson's Message' as under:

"The Board of Directors very responsibly giving due consideration to sustainability on all accounts have recommended a dividend of Rs.0.75/- per equity share of face value of Rs.10/- each subject to your approval at the Annual General Meeting."

Enclosed herewith the Revised Annual Report for the Financial Year 2019-20, which shall also be uploaded on the Website of the Company.

Kindly take the same on your records.

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

Vocal
for local
while sailing
Global

Atmanirbhar Bharat

भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)

कार्गो मंजिल तक पहुँचाए, जीवन को राह दिखाए.



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

TRANSPORTING GOODS. TRANSFORMING LIVES.

AWARDS AND ACCOLADES

SCI won two awards in the 'Governance Now 7th PSU Awards 2020' at the awards ceremony held on 19-2-2020. The awards were in the category of

- Strategic Investment-Financial Category
- HR Excellence Awards-Non Financial Category (for the 2nd consecutive year)



Mrs. H. K. Joshi, CMD(A.C), SCI has been conferred with Sailor Today Sea Shore Awards 2019 for the category of "Woman of Substance". The award was presented by Mr. M. Pinto, former Secretary Shipping at the 18th Sailor Today Sea Shore Awards 2019 held at Mumbai on 16.11.2019.



At the 7th Samudra Manthan Awards 2019 conducted on Cruiseship Angriya, SCI bagged the 'Shipping Company of the Year-Indian Flag'. The award was received by the CMD and Directors of SCI.



SCI organized a competition for young managers called SCI Empower. The winners were sponsored for the AIMA 4th National Competition for Managers. Akshaya Iyer and Swaroop Deshmukh won at the Mumbai Regional round.



Mrs. H.K. Joshi, CMD, SCI, has been conferred the 'CEO with HR Orientation' Award at the 28th Edition of the World HRD Congress 2020.



SCI WIPS (Women in Public Sector) forum

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 30th National Meet of WIPS held in Hyderabad. The award was presented by Dr. Tamilisai Soundararajan, Hon'ble Governor of Telegana and received by CMD,SCI.



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 opportunities 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 minimize risks and environmental impacts for achieving Safety, Occupational Health and Environmental performance.

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CORPORATE INFORMATION

BOARD OF DIRECTORS#

Smt. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl.charge

Shri Sanjay Kumar
Government Director

Shri Satinder Pal Singh
Government Director

Dr. Gautam Sinha
Independent Director

Shri Raj Kishore Tewari
Independent Director

Dr. P. Kanagasabapathi
Independent Director

Shri Rajesh Sood
Director (Technical & Offshore Services)

Smt Sangeeta Sharma
Director (Liner & Passenger
Services)

Shri Surinder Pal Singh Jaggi
Director (Personnel &
Administration)

Shri Vijay Tulshiramji Jadhao
Independent Director

CA Mavjibhai B Sorathia
Independent Director

Shri Pramod Kumar Panda
Independent Director

Shri Atul Ubale
Director (Bulk Carrier & Tanker)

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

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

Shri Lawrence C Serrao
Chief Financial Officer w.e.f 05.02.2020

STATUTORY AUDITORS*

M/s V. Sankar Aiyar & Co.

M/s Haribhakti & Co. LLP

**M/s G.D. Apte & Co. and M/s. A. Bafna & Co. had conducted limited review audit of the Company for quarter ended June 2019.*

**M/s Haribhakti & Co. LLP and M/s V. Sankar Aiyar were appointed as Statutory Auditors of the Company for FY 2019-2020 and had also conducted limited review audit of the Company for quarter ended June 2020.*

For Financial Year 2020-21, M/s. CHOKSHI & CHOKSHI LLP and M/s. V SANKAR AIYAR & Co. 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.



Chairperson's Message

Dear Shareholders, Ladies and Gentlemen,

On behalf of the Board of Directors of The Shipping Corporation of India Ltd., I am pleased to place before you, our esteemed shareholders, the 70th Annual Report of your Company for the financial year 2019-2020. The report enumerates exhaustively your Company's performance for the financial year ended 31st March 2020. I take this opportunity, however, to touch upon salient features of your Company's achievements during the last financial year.

When the going gets tough, the tough get going and the cliché seems more than apt to describe your Company at this juncture which has displayed immense resilience, fortitude and dexterity in its operations, systems and functions during the crisis which struck us towards the end of the year. Operations across all the sectors were impacted by the outbreak of the pandemic and its cascading effects were ably sustained by your Company during these trying times in the backdrop of a well-documented "Business Continuity Plan" prepared in advance to meet the eventuality of the lockdown imposed from 24/3. The consequent restrictive work scenario brought in its wake multifaceted problems which your company braced well owing to its preparedness for such an eventuality. We pre-empted disruptions to the operations in two phases, initially, by envisioning the modalities of an alternate Plan to deal with an anticipated confinement which seemed inevitable yet unprecedented, and later, focusing on executing the Plan and realigning it as warranted to the ever-changing requirements. Actions were taken to institute the Work From Home mechanism and implementing Shipboard Outbreak Management Plan and the situation on board all owned and manned vessels was closely monitored by the Fleet and Operations Divisions. The challenges were formidable but an evolving Plan held us in good stead and they were overcome. And it makes us proud to convey that your Company continued to ensure transportation of essential supplies and uninterrupted trade flow requirements despite the constraints.

Impact of the Pandemic

The shipping industry had already been contending with the global slowdown and trade wars during the year and an expectation of a recovery of world economy seems remote now due to the pandemic which has caused enormous disruption impacting all sectors and walks of life, the effects of which would keep transcending across business operations and segments in various ways and at different points in time which cannot be predicted with any degree of certainty.

Maritime sector has been affected severely and the most significant impact has been felt with respect to the crew change, which the International Maritime Organisation (IMO) at the global level and the DG Shipping on the national front, continue to regulate and facilitate with issuance of various SOPs and orders for controlled crew change to bring in as much expediency as is feasible considering the dynamics of the pandemic. The increased cost of such crew changes has not deterred the company in putting the seafarers first and ensuring their welfare. Crew changes have been addressed with ‘Safety First’ and ensuring a qualitative crew change with due care, compassion, ensuring that the seafarer reached his home healthy and safe. Due care was also taken to ensure that the on signing crew was infection free so that fleet operations were not disrupted. Your Company has adhered to strict preventive measures and till the time of my writing this message, your entire owned fleet remains COVID free.

As the lockdown progressed, innumerable challenges kept surfacing which were met with due adroitness, empathy and expertise which were the outcome of sheer diligence and tenacity that your Company’s employees exhibited. Health concerns of the employees, shore and afloat, were accorded priority and while hygiene kept getting upgraded on one hand, advisories were issued from time to time, on the other, for their safety in line with the guidelines issued by the Ministry of Home Affairs and the DG Shipping for the shore and fleet, respectively, including the installation of Aarogya Setu App on the mobiles and online status declaration forms for the employees who attended office during exigencies during lockdown and when the Unlock Phase commenced. Measures continue to be taken and interactions between the Management and the employees continue to share mutual concerns and promote a positive environment and enthusiasm during these challenging times.

Operations

Shipping markets in 2019-2020

Shipping plays a vital role in facilitating global trade, with about 85% of all trade moved by sea. In Calendar year 2019 seaborne trade levels grew by 1% to reach 11.9 bn tonnes, almost double that at the turn of the millennium. In addition to this long-term growth trend in volume, there has been a broadening of the cargo base and increasing complexities. Besides the traditional influence of the global business cycle and commodity prices, other factors are increasingly impacting trade and freight: the US-China trade war, the impact of sanctions, the growth of US energy exports and fleet supply interruption. In shipping markets that have reduced surplus capacity in recent years, these trade complexities also have a greater influence on freight rate volatility.

Dry Cargo market remained lacklustre during 2019-20. In the beginning of financial year, BDI as on 1st April 2019 was at 685 points and on 31st March 2020 closed at 626 points. During the year earnings for Panamax and Supramax Bulkers remained subdued. Higher operating costs, weaker import demand in China and a supply side influx adversely affected the dry cargo market.

In the crude tanker segment, Q1 of 2019-20 witnessed fleet growth acceleration, with plenty of tanker deliveries seen. Inevitably, spot earnings fell, averaging close to operating expenses on most routes. The tide gradually started to turn in Q2 of 2019-20, whilst tanker earnings jumped, most notably in the VLCC and Aframax segments amid a perfect storm of improving fundamentals, geopolitical events and the IMO related disruptions. Crude tanker demand undoubtedly benefited from the ongoing robust growth in US crude exports throughout the year (and gains in Norway/Brazil production towards the end of 2019), with increases in non-OPEC supply eventually more than offsetting OPEC+ production cuts.

In Container industry growth in fleet capacity continued to exert downward pressure on rates for most major trade routes, including the busy westbound Asia–Europe lane.

Most of the demand for offshore support vessels (OSV) can be attributed to the rising deepwater development activities, driven by the declining production from the mature fields and increasing crude oil demand. The demand for offshore supply vessels on the Indian coast remained flat through out the year with shades of improvement during some months.

Market Outlook

Even as China, the biggest driver for the dry bulk industry recovers, the impact on shipping demand for dry bulk industry remains to be seen. Some of the stimulus measures that have been, or are expected to be, announced concentrate on infrastructure and housing investment, which will boost demand for raw materials. But other industries that provide demand for dry bulk – such as steel and aluminium for the automotive industry – have all but collapsed.

It is expected trading in all commodities to fall, including the grains trade. Lower commodity demand comes as a direct result of the lockdowns, as well as from the ensuing economic slowdown. The International Energy Agency (IEA) expects demand for coal will fall by 8% in 2020, with lower demand coming from lower electricity consumption because of lockdowns and reduced manufacturing activity.

Given the overcapacity – which was already plaguing the market after years of supply growth outstripping demand, the outlook may yet deteriorate further if lockdown. Measures last longer than expected, or have to be reinstated to avoid a new wave of infections, but there is little prospect of an improvement. Even with large government investments in infrastructure, the global recession will doubtless lead to lower demand and low freight rates.

Under normal circumstances, freight rates in the crude tanker market move in tandem with oil demand. Weak oil demand normally leads to lower refinery runs and weak crude oil trade, which in turn translates into lower freight rates. A record 30% decline in global oil demand in April 2020 also forced refiners to cut production, which in turn put the brakes on global crude oil trade. Despite a historic decline in oil prices because of COVID-19, major oil producers kept pumping oil at full throttle especially when Saudi Arabia and Russia started the price war. The consequent oil glut to the tune of 30 mbpd threatened to overwhelm global onshore storage capacity and led to a steep contango in oil prices, which in turn resulted in a sudden rise in floating storage of oil thereby pushing tanker freight rates northwards.

About 11% of the crude tanker fleet (82 VLCCs, 70 Suemaxes and 80 Aframaxs) was locked in floating storage at the end of April 2020, squeezing tonnage supply in the market. In addition, the pandemic-related increase in port delays and slow steaming by tankers due to weak demand further suffocated vessel supply in the market, underpinning freight rates.

With easing of COVID-19- enforced lockdowns, the oil demand is expected to recover gradually and the oil stored on vessels will be the first to come out of storage. This shall result in the incremental vessels currently locked in floating storage to return to trade by the end of the year, which in conjunction with the expansion in fleet will inflate vessel supply in the market and impact the freight rates. The expected increase in oil demand on the other hand will not fully translate into higher trade in the near term as, in addition to oil stored on vessels, refiners will use onshore stocks which in turn will cap crude oil trade.

In Container shipping, no sudden bounce back in demand is expected. Sales of containerised consumer goods have been some of the hardest-hit by lockdown measures, and lower consumer spending power is likely to persist for a prolonged period.

In the offshore segment, near term outlook looks grim. Due to recent fall in crude oil prices, the activities of the E&P players have been affected and majority of E&P companies are going slow with their projects.

Financials

It gives me immense pleasure and satisfaction to inform you that SCI has reported a standalone net profit of Rs. 302.35 crores excluding Other Comprehensive Income (OCI) against a net loss of Rs. 121.99 crores in the previous year (consolidated net profit of Rs. 336.48 crores excluding OCI as against a net loss of Rs. 62.66 crores in the previous year). Your Company being a diversified company has been able to absorb the losses of both the bulk and container segments which have been offset by the profits of both the Tanker and the Offshore fleet. The Operating Revenue clocked this year was the highest achieved over the last decade; it increased from Rs. 3872.85 Crore in FY 2018-19 to Rs. 4425.44 Crore in FY 2019-20. Your Company has broken records on several fronts a couple of them almost over a decade, and we are genuinely happy to be announcing this.

It is indeed a matter of great pride for the Company that while we worked on improving the overall financial health of the company, the Company yet again created new milestones. Your Company achieved the distinction of being the first CPSE among the Navratna/ Maharatna companies to have adopted and declared the financial results in the pandemic while also being well ahead of most private companies in doing so. It might well be appreciated that the restrictions imposed due to the lockdown from 24/3 created various challenges which were addressed with a sense of purposefulness and agility. All operations, ashore and afloat, continued unhindered, the financial statements too were prepared well in time despite the constraining conditions of lockdown and were remotely audited by the Joint Statutory Auditors. The results were adopted by the SCI Board in its meeting held on 29th May 2020 without availing of any extensions granted by the SEBI due to the pandemic. The statutory meetings were held via video conferencing with an almost full attendance of the Board members joining in from their respective locations. This is only to demonstrate the commitment of the SCI team to the company against all odds. The Company has also got a clean unqualified report from the joint statutory auditors as well as “NIL” Comments from the Comptroller and Auditor General of India on the financial statements for FY 2019-20.

Dividend

The Company in the times of the Pandemic has endeavored to bring cheer by returning to the dividend paying list after a long gap of eight years. The Board of Directors very responsibly giving due consideration to sustainability on all accounts have recommended a dividend of

Rs.0.75/- per equity share of face value of Rs.10/- each subject to your approval at the Annual General Meeting. The Board of Directors remains grateful to all the stakeholders for the unstinted support faith and patience that you had reposed in us during the global downturn faced by the shipping industry from 2008 onwards and which continued with occasional spurts that did not sustain long enough. We are also well seized that we have an increased responsibility of maintaining and sustaining, if not surpassing the previous performance and growth despite the adversities which today has taken the form of the unprecedented pandemic and its unpredictable impact for future as they unfold. Challenging times lie ahead for all of us and we are committed to strike the right balance and brace ourselves appropriately with the same conviction, commitment, perseverance and resilience that we have displayed in the past.

As the Nation's largest Shipping Line and proud National Flag Carrier, The Shipping Corporation of India Ltd. carries the Nation's hopes, dreams and aspirations of Atmanirbhar Bharat as it sails across vast seas and far flung continents to reinvigorate and reaffirm the Nation's emergence as a major Global Power.

Acquisitions and Disposals

The year 2019-20 commenced with a fleet strength of 61 vessels and two tankers, m.t. Ankleshwar and m.t. Maharaja Agrasen, were disposed of during the course of the year and your company with 59 Vessels today is the largest Indian Shipping company catering to the overseas and coastal transportation of goods. It 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. 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 wishes to augment its tonnage and is hopeful of acquiring vessels based on the market conditions and viability.

Corporate Social Responsibility

Your company's values as a socially responsible organisation are well entrenched in its activities. This year, the emphasis has been on school education for underprivileged children, eradication of hunger and malnutrition, women empowerment, health care and other areas of social upliftment.

Your Company's employees including seafarers have voluntarily contributed one day's wages to Relief Funds amounting to Rs.108.69 lacs to fight the COVID 19 pandemic. A contribution of Rs. 36.97 lakhs has also been made towards PM-CARES as part of its Corporate Social Responsibility summing up to Rs.145.66 lakhs. The Board of Directors in its meeting held on the 29th of May, 2020 has placed on record and appreciated this voluntary effort and display of solidarity by the employees towards the national cause.

Corporate Governance

Your Company has always been steadfast in its orientation towards instituting and maintaining fair, transparent and ethical governance practices in achieving long-term corporate goals and to enhance stakeholders' value. The Report of Directors on Corporate Governance placed in the Directors' Report comprehensively describes the structure and practice of Corporate Governance of your Company. In addition to complying with the requirements of Corporate Governance emanating from various statutes, rules and regulations, your Company is also in compliance with the DPE guidelines on Corporate Governance. The Corporate Governance issues are kept in constant focus by the Board of Directors of your Company and your Company complies with the applicable guidelines both in letter and spirit.

Other developments

Your company on 1st of January 2020 smoothly and successfully transitioned to being compliant with IMO's 0.5% sulphur fuel regulation and the vessels remained compliant and are being supplied low sulphur fuel oil since 1st January, 2020.

Your Company has the honour of continued association with the Indian Navy through deployment of SCI Sabarmati, offshore vessel, for conducting Sea Acceptance Trials (SAT) for its new Deep Submergence Rescue Vehicle (DSRV) equipment on the West and East Coasts of India and is proud to serve the project of national importance.

Your Company continued to display courage and commitment when SCI's offshore vessel m.v. 'SCI Urja' towed a distressed trawler with 18 fishermen during the severe tropical storm 'KYARR' of October 2019 to safety.

Your Company has been identified for strategic disinvestment by the Government of India and the Department of Investment and Public Asset Management (DIPAM) of Ministry of Finance has appointed Transaction Advisors, Asset Valuers and Legal Advisors and the due diligence process is in progress.

Your Company complies with the Government of India's Public Procurement Policy (PPP) for MSEs Order, 2012 as all its tenders have a relevant clause giving the benefits and purchase preferences available to MSEs in the Order. During the Financial year 2019-20, the total

procurement of Goods and Services from MSEs is around 30.68% as against the target of 25% set in the Order duly amended in November 2018. Your Company actively participates in Vendor Development Programs organised for MSEs across India and provides the details of procurements and services required enable MSEs to participate in SCI tenders.

I am happy to share with all of you the following accolades received by your Company–

- 'Most Compassionate Employer of Indian Seafarers' at NMD Celebrations
- 'Strategic Investments' and 'HR Excellence Awards' under the Financial and Non-Financial Category respectively at '7th PSU Awards-Governance now'
- First Prize for Best Enterprise award at the 30th National Meet of WIPS, a tribute to Excellence in Public Enterprise Management under Navratna Category
- Mumbai Regional Round of AIIMA - 4th National Competition for Managers in PSU category
- "The Shipping Company of the Year - Indian Flag" at Samudra Manthan Awards
- Ranked 1st among the Key Organizations under the Swachh Bharat Mission 2019 – Swachh Survekshan initiative of the Ministry of Shipping
- Second Prize for Swachhta Pakhwada 2019, Ministry of Shipping

Your Company also received the following recognitions apart from the above accolades

- Recognition From National Union of Seafarers of India (NUSI) for 'employing the highest number of women seafarers on Merchant Navy Ships' on the 'NUSI Founder Mohamed Ebrahim Serang day'
- "Certificate of Appreciation" from the Nautical Institute, London, India SW Branch Award to Capt. Rohan JN and Team OSV Colonel S P WAHI for their Rescue mission off Mumbai High.
- "Certificate of Appreciation" from the Nautical Institute, London, India SW Branch Award to Mrs. HK Joshi and Team SCI for pivotal role in handling the crew management crisis during the pandemic.

Acknowledgements

I would take this opportunity to express my gratitude to the Government of India for its support to your Company. I wish to thank Shri Mansukh L. Mandaviya Ji, the Honourable Minister of State (Independent Charge) for Shipping and Minister of State for Ministry of Chemical and Fertilizers, Government of India for his vision, leadership and consistent guidance to your Company. I would also like to acknowledge with gratefulness the counsel and directions of Shri Gopal Krishna, erstwhile Secretary (Shipping) Government of India during his tenure for the growth of your Company. I also welcome Dr. Sanjeev Ranjan, Secretary (Shipping) Government of India and thank him for his whole-hearted support and guidance. 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 the seafarers our key workers during the pandemic, 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.

Smt. H.K. Joshi,
Chairperson & Managing Director

BOARD OF DIRECTORS



Smt. H.K. Joshi - Chairperson & Managing Director & Director (Finance) Addl.charge

Smt. H.K. Joshi, Chairperson and Managing Director, joined SCI on 5th February, 2015 as Director (Finance) and was also appointed as CFO, SCI w.e.f. the same date. During her term lasting less than five years, she held multiple additional charges from time to time at the Board level - Director (Personnel & Administration) in 2017-18, Director (Bulk Carrier & Tankers) in 2019, CMD from 12th September 2019 consequent to completion of the tenure of the former CMD and currently she holds the additional charge of Director (Finance) w.e.f. 19th December 2019 when she was appointed by the Government of India as the Chairperson & Managing Director, SCI.

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 exposure and opportunity to travel and brought an all-round corporate development of her professional attributes to International standards in addition to polishing her financial acumen. She started her career as a Lecturer in Delhi University and joined the corporate world in 1984. She is a member of the Institute of Directors (IOD), Fellow Member of The Institute of Cost Accountants of India, Life member of the Institute of Public Administration, rank holder in Post-Graduation in Commerce (Financial Management) from Delhi School of Economics, B. Com (Hons.) from Delhi University, Masters of Business Administration (MBA)-Financial Management. She believes in continuous learning and has Post Graduate Diplomas in Human Resource Management, Management and Financial Management as well.

Smt. H.K. Joshi was conferred with 'CEO with HR Orientation' Award at the 28th Edition of the World HRD Congress 2020 and with 'Sailor Today Sea Shore Awards 2019' under the category of "Woman of Substance". She was also honoured with the Best Woman Employee Award 1st Place (Executive Category) by the Forum of Women in Public Sector (under the aegis of SCOPE) in 2018. She was awarded "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. Smt. Joshi has also been the recipient of "The Most Influential CFOs of India Award" from Chartered Institute of Management Accounts, UK for two years in succession viz. 2015 and 2016 and the "CMA CFO Award 2014" from The Institute of Cost Accountants of India.

Dynamic, result oriented with an eye for identifying talent she believes that human resources are the integral assets of a company. She believes in team work which is evidenced with the various group awards that she received in her previous assignment with ONGC.



Shri Sanjay Kumar - Government Director

Shri. Sanjay Kumar IAS, 1992 Batch. Prior to this he was working as Joint Secretary (Institutions), Department of School Education & Literacy, Ministry of Human Resource Development, Government of India, New Delhi. Looking after all Government of India Institutions like KVS, NVS, CBSE, NIOS, CTSA, NCERT and NCTE.

He has wide experience and handled senior positions in both Central Government and State Government in diverse fields like Finance, Industries and Commerce, conduct of elections, district administration, economic policies and school education.

Qualifications- Masters in Business Administration (MBA) and ICWA.

BOARD OF DIRECTORS



Shri Satinder Pal Singh - Government Director

Shri Satinder Pal Singh, Joint Secretary in the Ministry of Shipping was appointed as part-time Official Director on the Board of Directors of Shipping Corporation of India Ltd. in August 2017. Shri Satinder Pal Singh, an IPS Officer of 1995 batch from Himachal Pradesh cadre is a post graduate in Law from Brunel University, London. Shri Singh also holds a Master's degree in Police Management from Osmania University, Hyderabad. He has served in senior positions in the State Government of Himachal Pradesh including Inspector General of Police and Special Secretary in the Department of Home. Prior to his present posting as Joint Secretary in the Ministry, Shri Singh has served as Director in the Ministry of Housing and Urban Affairs.



Dr. Gautam Sinha - Independent Director

Dr. Gautam Sinha has been inducted as an Independent Director on the Board of Shipping Corporation of India Ltd in September 2017. Dr. Sinha received his PhD for his thesis on Directions Dimensions of customer service in Indian Steel Industry from Department of Industrial Engineering Management, IIT Kharagpur in 2001. Dr. Gautam Sinha is an M Tech (Industrial Engineering Management) from IIT-ISM Dhanbad in 1990 and B Tech (Production), BIT Sindri in 1978. Presently, he is the Founder Director of IIM Kashipur from 2012 onwards, wherein he had been awarded for his meritorious work in difference fields of academics. 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 present position as Director, IIM Kashipur he held the charge of Director, Lal Bahadur Institute of Management, Delhi from April 2011 to May 2012 responsible for all academic and financial results of the school and reporting to Board of Governors. Dr. Sinha has assumed various responsibilities in the field of academics as Professor, Associate Professor in IIT Kharagpur from 2002-2011. As Professor in IIT Kharagpur, 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 in Operation Management and designed new Executive MBA Programme which was launched at Kolkata and Bhubaneswar. 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. Currently Mr. Gautam Sinha is Vice Chancellor, IMS Unison University, Dehradun.

BOARD OF DIRECTORS

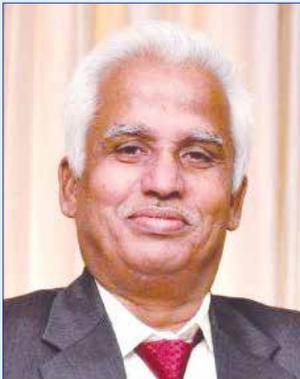


Shri Raj Kishore Tewari - Independent Director

Shri Raj Kishore Tewari has been inducted on the Board of SCI 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.

Shri 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 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 was inducted in the Board of SCI in November 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 field studies in different industrial and business centres, he and his team have been taking up studies for different industries and had completed a major study for the Gujarat Government. He is involved in India-centric research and studies for more than two decades and was earlier the Director of state level research and training institute promoted by the Tamil Nadu Government. He 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 used as a text/reference in the premier national institutions. He has been working with the central and state bodies and had served as the elected President of an agricultural cooperative bank.



Smt. Sangeeta Sharma – Director (L&PS)

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 34 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. Under her able guidance, Liner Division of SCI started new services on Chennai Port Blair and Kolkata Port Blair routes in line with GOI's plan of promoting coastal shipping.

She was awarded with "Woman Professional in Shipping & Logistics" in prestigious India Maritime Award 2018 for her outstanding contribution in the shipping business. She was further awarded with 1st prize for the "Best Women Employee Award – Executive category" in February 2019 by Forum of Women in Public Sector (WIPS). She was also declared Winner of Maritime and Logistics Awards-2019 of "Women Professional of the Year" organized by EXIM India and added one more feather to her cap.

BOARD OF DIRECTORS



Shri Rajesh Sood – Director (T&OS)

Shri Rajesh Sood is the Director (Technical & Offshore Services) of The Shipping Corporation of India Ltd. 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 35 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. He is also member of various technical committees and involved in formation of rules/ standards. During his tenure as General Manager, he was responsible for bringing much needed stability and control in operations.



Shri Surinder Pal Singh Jaggi – Director (P&A)

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 and Post Graduate Diploma in Human Resource Management. 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 37 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. He has also worked in the field of Public Relations, Business Excellence, Liaison & Administration etc.

At SCI, as head of Personnel and Administration Division, Shri Jaggi has led numerous new initiatives to enhance employee engagement and to promote a culture of learning in the organisation. A range of training & capability building programs have also been launched in SCI under his leadership. Capitalizing on his rich experience, SCI has taken up systematic review of policies and systems, for shore as well as for fleet employees, to bring them at par with best across the industry and other CPSEs.



Shri Vijay Tulshiramji Jadhao - Independent Director

Shri Vijay Tulshiramji Jadhao has been 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.

BOARD OF DIRECTORS



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 the Institute of Chartered Accountants of India. He has done B.Com (Hons) from M.S.UNIVERSITY, Baroda and Bachelor of Law (LL.B.) from Shri. L.A. Shah Law College, Ahmadabad. 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 the Board of the Kutch District Central Co-op Bank Ltd. He was Convener of CA cell, BJP Gujarat Pradesh. He is acting trustee on board of many charitable trusts. He was Ex. Mayor of Anjar, Kutch. He is regular speaker at various professional forums and prominent column writer on Swarni 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 for continuous tenure of 14 Years. He was Vice- President of All Gujarat Federation of Tax Consultants Association, Ahmedabad.



Shri Atul Ubale – DIRECTOR (B&T)

Shri Atul Laxman Ubale joined SCI on 15th May, 1989 and took charge as Director (Bulk Carrier & Tanker Division) from 11th November, 2019. Shri Ubale is an alumnus of Mumbai University holding Bachelor of Commerce Degree and Post Graduate Master's Degree in Management Studies.

In a career spanning over 3 decades endowed with rich and vast experience in various facets of core shipping activities, he has served and held vital positions in Technical & Offshore Services Division-handling O&M Offshore Contracts, indigenising Indian offshore industry, ship acquisitions / shipbuilding contracts for augmenting Indian tonnage; and in Bulk carrier and Tanker Division - overseeing chartering and commercial operations of bulk carriers and tankers meeting the ever growing and diverse needs of the Indian Oil Industry.

Shri Ubale with his hands on experience, commercial acumen, intimate knowledge of all types of chartering in various market segments including Bulk Carriers, Tankers, Gas Carriers, Container Ships, Passenger Vessels, Tugs etc. is a highly regarded and well-known personality in domestic as well as international chartering market. He has been instrumental in evolving innovative and sustainable strategies for gainfully employing SCI's vast fleet featuring, in-chartering / out-chartering fixtures, various types of Contract of Affreightments (COAs) & pool arrangements and also has been at the forefront of conceptualizing and securing highly remunerative and innovative long term charters for SCI's fleet.

Owing to his engagement in SCI's overseas office in UK and SCI's Joint Venture Company in Tehran, Shri Ubale carries with himself substantial international exposure and experience, helping make SCI's Chartering & Commercial Operations a name to be reckoned with in the domestic as well as international shipping markets.

BOARD OF DIRECTORS



Shri Pramod Kumar Panda – *Independent Director*

Shri Pramod Kumar Panda, a career central banker, specializes in financial regulation, banking supervision and financial inclusion. He also specializes in strategic capacity building, particularly in financial regulation and inclusion.

He has long and extensive experience in Reserve Bank of India (RBI)'s onsite supervision and offsite monitoring of commercial banks. He has also headed the Financial Fraud Monitoring Cell of Department of Banking Supervision (DBS), Central Office of RBI. Basis his financial supervision experience, Shri. Panda has deep technical understanding of internal controls, risk management including fraud risk management and corporate governance in the financial sector. He has rich experience, both at global and national levels in designing and delivering high quality and innovative capacity building programs.

Shri Panda, is currently associated with the Centre for Advanced Financial Research and Learning (CAFRAL)'s, learning activities as Senior Program Director. Also, he was Director on the Board of Corporation Bank as RBI's nominee. He was also the RBI Nominee Director on the Board of Bank of India. He was also an Independent Director on the Board of Home Credit India Finance Private Limited, a systemically important NBFC which is a subsidiary of an international non-bank financial institution, Home Credit B.V. headquartered in Netherlands.

He holds a Masters' Degree in Science (MSc) from London School of Economics & Political Science, UK, a Master's Degree in Arts (MA) in Political Science from Utkal University, Odisha, India and a Bachelor's Degree in Law (LLB) from Utkal University. He has completed the Sloan Executive Education Programme on MIT's Approach to Design Thinking from Massachusetts Institute of Technology, USA.

As General Manager and Chief General Manager at RBI's DBS, he has led projects for implementation of Risk Based Supervision, Pillar 2 of Base II, Financial Conglomerate Supervision and Cross Border Supervision & Supervisory Cooperation. He has been a member of the Task Force that advised the Accord Implementation Group of The Basel Committee on Banking Supervision (BCBS) in finalizing the Good Practice Principles on Supervisory Colleges.

Shri Panda has been with the International Monetary Fund for three years as Resident Advisor at its Technical Assistance Centre (AFRITAC South), Mauritius where he assisted the financial regulators of southern African countries in strengthening their financial sector regulation and supervision. He has also been the Principal of RBI's College of Agricultural Banking, Pune which builds capacity amongst bankers in India and South Asia in inclusive finance.



EXECUTIVE DIRECTOR AND GENERAL MANAGERS AS ON 1.7.2020

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	KULKARNI PRADEEP V.	Mr.	GM	MUM	P&S
4	KULKARNI ANJALI P.	Ms.	GM	MUM	F&A
5	MISRA SANDEEP	Mr.	GM	MUM	B&T
6	MURUGADAS J.	Mr.	GM	MUM	IT
7	VINOD G.	Mr.	GM	MUM	L&PS
8	GANGOPADHYAY PRABIR KUMAR	Mr.	GM	MUM	B&T
9	TYAGI BINESH K.	Capt.	GM	MUM	P&A
10	SERRAO LAWRENCE	Mr.	GM	MUM	F&A
11	BANDEKAR S. R.	Mr.	GM	MUM	B&T
12	SAINI MANJIT SINGH	Mr.	GM	CHEN	CHEN
13	DINGLEY VIKRAM	Mr.	GM	MUM	B&T
14	N. SUBRAMANYA PRAKASH	Mr.	GM	MUM	F&A
15	RAJESH KUMAR	Capt.	GM	MUM	B&T
16	PURUSHOTHAM JAYARAMAN	Mr.	GM	MUM	L&PS

DECADE AT GLANCE (STANDALONE)

OPERATIONAL STATISTICS

(Figures in Crores of ₹)

	IGAAP							IND AS				
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2015-16*	2016-17	2016-17**	2017-18	2018-19	2019-20
Operating Earnings	3543.4	3820.8	4152.5	4155.2	4153.8	4078.3	4049.9	3446.9	3447.4	3469.5	3872.9	4425.4
Interest Income	191.4	183.4	107.3	103.3	145.9	113.2	114.1	106.4	106.4	86.3	90.5	81.2
Other Income	285.0	495.9	236.4	280.5	288.0	85.7	50.7	38.8	38.8	61.7	141.8	161.8
Total Earnings	4019.8	4500.1	4496.2	4539.0	4587.6	4277.2	4214.7	3592.1	3592.6	3617.5	4105.2	4668.4
Operating Expenses	2254.5	3328.4	3273.7	3112.3	2794.2	2339.6	2098.8	2141.3	2178.0	2,223.0	2,533.0	2,558.3
Other Expenses	576.7	515.7	668.4	585.6	567.8	636.9	612.4	535.4	490.6	574.9	629.5	727.2
Finance Costs	66.9	387.3	161.8	206.1	179.3	160.6	171.9	172.2	172.2	179.8	359.1	364.1
Depreciation	465.1	608.7	760.5	856.4	770.2	580.0	542.3	566.1	566.1	610.3	658.5	671.2
Impairment	-	-	-	-	-	136.4	-	-	-	-	-	-
Extraordinary items	-	-	(299.7)	-	-	-	-	-	-	-	-	-
Tax Liability	89.3	88.2	45.8	53.3	75.2	46.5	36.1	41.7	43.5	(224.3)	47.1	45.2
Total Expenses	3452.5	4928.3	4610.5	4813.7	4386.7	3899.9	3461.4	3456.6	3450.3	3363.7	4227.2	4366.0
Profit after Tax	567.3	(428.2)	(114.3)	(274.7)	200.9	377.3	753.3	135.5	142.3	253.8	(122.0)	302.4

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

FINANCIAL HIGHLIGHTS:

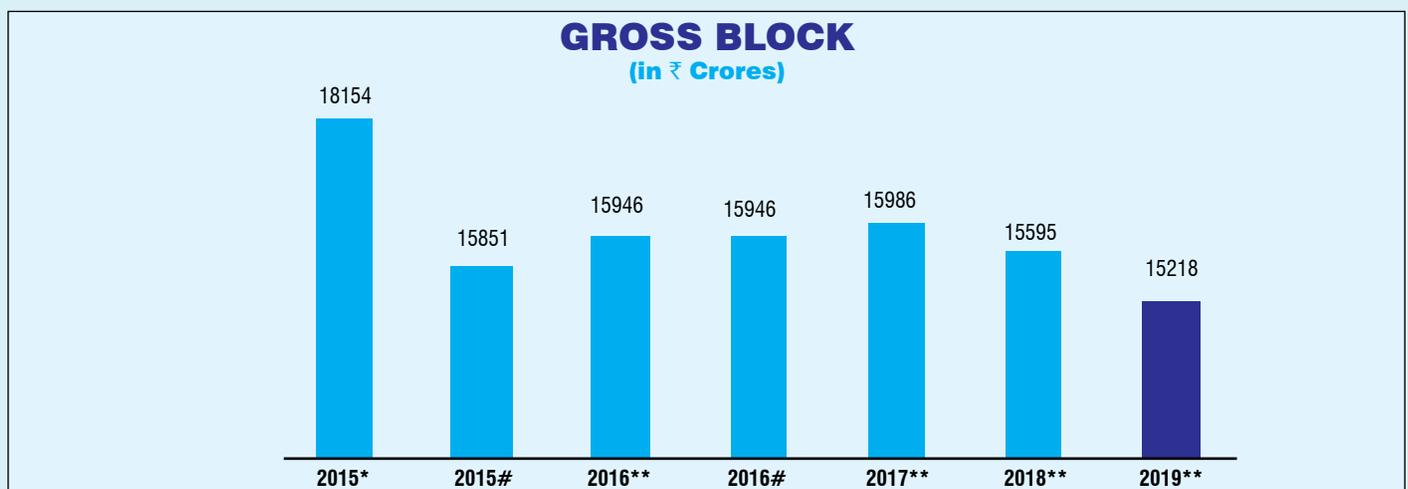
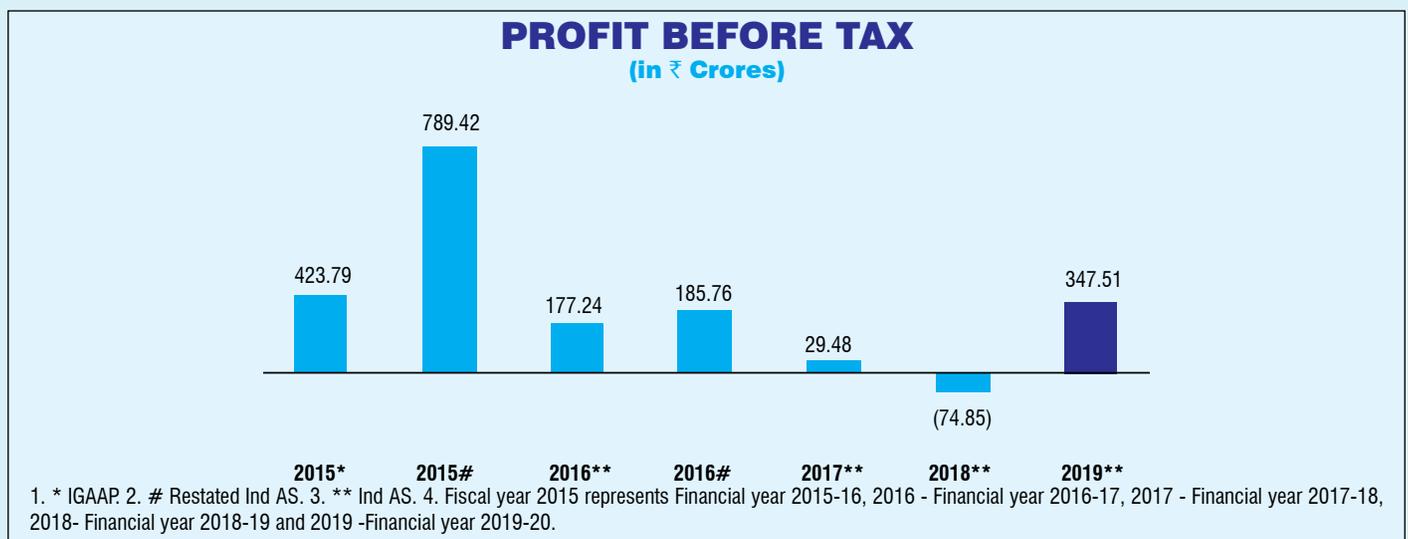
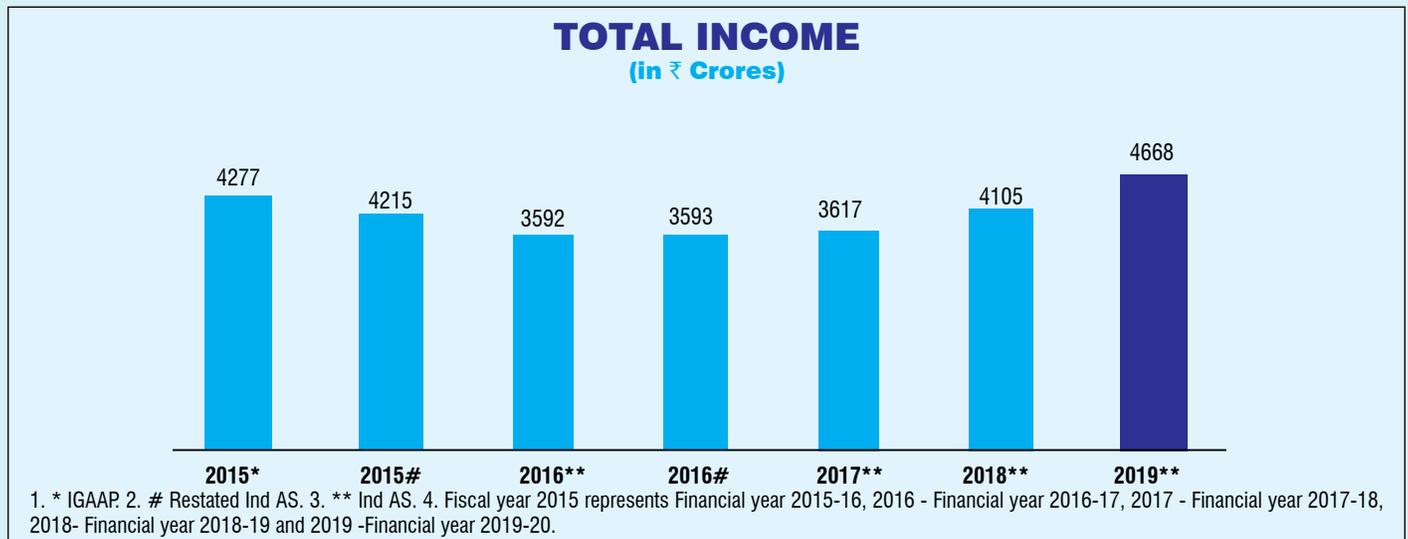
(Figures in Crores of ₹)

	IGAAP							IND AS				
	31-03-11	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	31-03-20
WHAT THE COMPANY OWNED												
Fixed Assets												
Gross Block	11841.3	13334.4	16556.8	17486.3	17,297.9	18,154.4	15,851.3	15,945.6	15,945.6	15,986.2	15,594.9	15,218.3
Less: Depreciation (Cum) & Impairment	4472.1	4421.6	5017.0	5551.6	5,853.4	6,551.0	4,024.1	4,534.9	4,534.9	4,638.2	4,475.8	4,565.1
Net Block	7369.2	8912.8	11540.3	11934.7	11,444.5	11,603.4	11,827.2	11,410.7	11,410.7	11,348.0	11,119.1	10,653.1
Assets under Construction	1790.4	1833.3	1572.5	710.9	490.9	-	-	27.3	27.3	7.8	7.6	2.8
Working Capital	2431.0	2036.6	1550.1	1837.6	1,341.3	1139.6	1027.0	216.4	226.4	25.8	(441.1)	(605.0)
Investments	292.7	274.6	117.7	113.5	90.1	65.3	65.7	74.6	74.6	130.9	77.1	77.3
Total	11883.3	13057.3	14780.6	14,596.7	13,366.8	12,808.3	12,919.9	11,729.1	11,739.1	11,512.5	10,762.7	10,128.3
WHAT THE COMPANY OWED												
Long Term Funds:												
Bank Loans	4715.2	6323.0	7707.4	8000.5	6,833.2	5897.9	5844.8	4518.1	4518.1	3,790.6	2,963.7	2,189.4
Unsecured Loans	-	-	457.0	256.4	-	-	-	-	-	520.4	726.3	565.4
Total Long Term Funds	4715.2	6323.0	8164.4	8256.9	6,833.2	5,897.9	5,844.8	4,518.1	4,518.1	4,311.0	3,690.0	2,754.8
Deferred Tax Liability	-	-	-	-	-	-	351.6	343.6	388.2	104.0	91.5	75.3
NET WORTH OF THE COMPANY												
Share Capital	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8	465.8
Reserves & Surplus	6702.3	6268.5	6150.4	5874.0	6,067.8	6444.6	6257.7	6401.6	6367.0	6,631.8	6,515.4	6,832.4
Total	7168.1	6734.3	6616.2	6339.8	6,533.6	6,910.4	6,723.5	6,867.4	6,832.8	7,097.6	6,981.2	7,298.2
Dividend paid	256.2	-	-	-	-	-	-	-	-	-	-	-
Dividend % ***	55.0	-	-	-	-	-	-	-	-	-	-	7.5

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

*** The Board of Directors, in its meeting held on May 29, 2020, has recommended a dividend of Rs 0.75/- per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2020 which is subject to the approval of the shareholders at the Annual General Meeting.

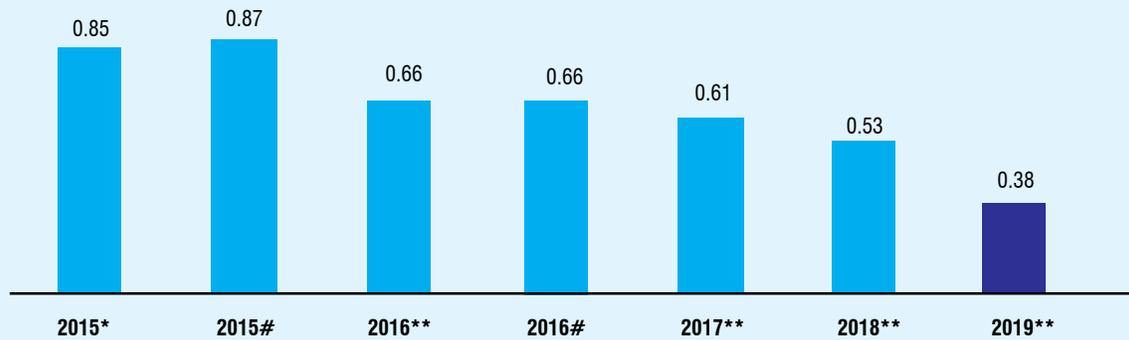
GRAPHS (STANDALONE)



1. * IGAAP. 2. # Restated Ind AS. 3. ** Ind AS. 4. Fiscal year 2015 represents Financial year 2015-16, 2016 - Financial year 2016-17, 2017 - Financial year 2017-18, 2018- Financial year 2018-19 and 2019 -Financial year 2019-20.

GRAPHS (STANDALONE)

DEBT EQUITY RATIO



1. * IGAAP. 2. # Restated Ind AS. 3. ** Ind AS. 4. Fiscal year 2015 represents Financial year 2015-16, 2016 - Financial year 2016-17, 2017 - Financial year 2017-18, 2018- Financial year 2018-19 and 2019 -Financial year 2019-20.

BOOK VALUE PER SHARE AT THE END OF FINANCIAL YEAR

(in ₹)



1. * IGAAP. 2. # Restated Ind AS. 3. ** Ind AS. 4. Fiscal year 2015 represents Financial year 2015-16, 2016 - Financial year 2016-17, 2017 - Financial year 2017-18, 2018- Financial year 2018-19 and 2019 -Financial year 2019-20.



SALIENT STATISTICS 2019-20

Authorised Capital	₹ 1000.00 Crores
Subscribed & Paid-up Capital	₹ 465.80 Crores
Depreciation and Amortisation	₹ 671.27 crores
Gross Earnings	₹ 4668.39 crores
Gross Investment on Fleet	₹ 11900.48 crores
No. of Passengers carried (including managed vessels)	Mainland - 24670 Inter-Island - 195282 Foreshore - 461037
No. of Employees (including crew) (As on 1st July, 2020)	1950
Contract / Retainers	30
Vessels Owned (As on 1st July, 2020)	
• Number	59
• Tonnage	5.311 million DWT 2.940 million GT
Vessels on Order (As on 1st July, 2020)	NIL
No. of Acquisitions (from 01.04.2019- 01.07.2020)	NIL



NOTICE OF MEETING

NOTICE is hereby given that the 70th Annual General Meeting of The Shipping Corporation of India Limited (“the Company”) will be held on **Friday, September 18, 2020 at 03:30 PM IST** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the Financial Year 2019 -2020.
3. To appoint a Director in place of Smt. Sangeeta Sharma (DIN: 07969443) who retires by rotation at this meeting and being eligible, offers herself for re-appointment.
4. To fix remuneration of Auditors for the Financial Year 2020-21.

SPECIAL BUSINESS:

5. **Appointment of Shri Pramod Kumar Panda (DIN: 08150489) as a Non-official Part time (Independent) Director of the Company.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152,161 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, Article 125 of the Articles of Association of the Company and other relevant applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Pramod Kumar Panda (DIN: 08150489), who was appointed as Additional Director of the Company by the Board of Directors with effect from October 18, 2019 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2019-2020 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions

of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose him as a candidate for the office of the Independent Director, be and is hereby appointed as a Non-official Part time (Independent) Director of the Company, not liable to retire by rotation.

6. **Appointment of Shri Atul Ubale (DIN:08630613) as a Whole-time Director.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152,161 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder , Article 125 of the Articles of Association of the Company and relevant applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Atul Ubale (DIN: 08630613), who was appointed as Director of the Company by the Government of India on November 11, 2019 and as an Additional Director of the Company by the Board of Directors with effect from December 05, 2019 i.e on his obtaining DIN and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2019-2020 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

**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 : 07.08.2020

NOTICE OF MEETING

NOTES

1. In view of the continuing restrictions on the movement of people at several places, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular No.20/2020 dated May 05,2020 read with circulars No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020(collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR,2015”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM will be the place from where the Chairperson of the Board conducts the Meeting.
2. Statement pursuant to section 102(1) of the Companies Act, 2013 is annexed and forms part of this notice.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (LODR),2015 and Secretarial Standards on the General Meetings issued by the Institute of Company Secretaries of India (ICSI) in respect of Directors seeking re-appointment at this AGM is annexed.
4. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form and Attendance Slip are not annexed to this Notice.
5. A person who is not a member as on cut-off date of remote e-voting i.e Friday, September 11, 2020, should treat the notice for information purpose only.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
7. President of India/ Institutional/ Corporate Shareholders (i.e other than individuals/ HUF/ NRI, etc) are required to send a scanned copy (PDF/JPG format) of its decision/ Board or governing body Resolution/ Authorisation etc, authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Company by email through its registered email address at cs@sci.co.in with a copy marked to evoting@nsdl.co.in on or before 10.09.2020 till 5:00 pm (IST).
8. The Register of Members and the Share Transfer Books of the Company will remain closed from to Friday, September 11, 2020 to Friday, September 18, 2020 (both the days inclusive).
9. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, September 10, 2020 i.e. the date prior to the commencement of book closure, will be paid the Dividend for the financial year ended 31st March, 2020, as recommended by the Board, if approved at the AGM.
10. The Dividend, once approved by the shareholders in the ensuing AGM will be paid within 30 days from the date of AGM electronically through various online transfer modes to those shareholders who have updated bank account details. For shareholders who have not updated their bank details, dividend warrants/ demand drafts/ cheques will be sent out to their registered address once the postal facility is available. To avoid delay in receiving dividend, shareholders are requested to update their Bank details and KYC with our RTA
11. As per Regulation 40 of SEBI LODR, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the RTA, M/s Bigshare Services Pvt Ltd for assistance in this regard on Tel:022-62638200.
12. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. The detail process regarding the registration is mentioned under Serial No.21 of this Notice.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, or any other KYC details, etc., to their DPs in case the shares are held by them in electronic form and to the RTA of the Company in case the shares are held in the physical form.

NOTICE OF MEETING

Members are requested to notify any change in their address to the Registrars and Transfer Agents (“RTA”) 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, or at Email: investor@bigshareonline.com

14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members holding shares of the Company as on Friday, August 07, 2020 and whose email addresses are registered. Members may note that the Notice and Annual Report 2019-

20 will also be available on the Company’s website www.shipindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. Any person acquiring shares after Friday, August 07, 2020 and holding shares as on the close of the business hours of Friday, September 11, 2020 may visit SCI’s website www.shipindia.com under ‘Financial Results → Annual Reports’ section.

16. Taxability and Other Dividend Related Information

- a) As per the Income Tax Act, 1961 (“IT Act”), as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the applicable rates at the time of making the payment of the Dividend, if declared at the AGM.
- b) The TDS rate may vary depending on the residential status of the shareholder and the documents submitted by the shareholders and accepted by the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are summarized below:

Table 1: Resident Shareholders

Particulars & Category of shareholders	Rate of Tax Deduction	Exemption documents to be given
Resident Individuals		
If total Dividend income to a resident individual shareholder in FY 2020-21 >Rs. 5,000	- 7.5% in case where PAN is provided/available - 20%, in other cases where PAN is not provided / not available	Update the PAN if not already done with depositories, in case of shares held in demat mode and with the Company’s Registrar and Transfer Agents – Bigshare Services Pvt Ltd (“RTA”), in case of shares held in physical mode.
Shareholders providing duly signed Form 15G (applicable to any person other than a Company or a Firm) /15H (applicable to an Individual above the age of 60 years) provided that all the prescribed eligibility conditions are met.	NIL	Form 15G/15H duly signed – The forms are available on the website of RTA at https://www.bigshareonline.com/Resources.aspx
If total Dividend income to a resident individual shareholder in FY 2020-21 < Rs. 5,000	NIL	-
Resident - Other than Individuals		
Indian Commercial Banks/Indian Financial Institutions	7.5%	-
Insurance Companies: LIC & Other Insurance Companies such as GIC/United India Insurance Co/Oriental Insurance Co/New India Assurance Co, etc as provided under Second Proviso to section 194 of IT Act	NIL	A declaration that it has a full beneficial interest with respect to the shares owned by it along with PAN.

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Particulars & Category of shareholders	Rate of Tax Deduction	Exemption documents to be given
Govt of India, Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income (Section 196)	NIL	Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate.
Mutual Funds	NIL	Self-declaration that they are specified and covered under section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate.
	7.5%	In case of mutual funds not covered under section 10 (23D) of the Income Tax Act, 1961
Alternative Investment Fund	NIL	Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate.
	7.5%	In case AIF other than those registered with SEBI as per Section 115UB of the IT Act.
Order under section 197 of the IT Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Other resident shareholder without PAN/Invalid PAN	20%	-

Please Note that:

- Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the IT Act.**
- Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts**

Table 2: Non-resident Shareholders

Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the said provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable. However, as per Section 90 of the Income Tax Act, 1961, a non-resident payee has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the DTAA benefits, the non-resident shareholder will have to provide documents provided in the following table:

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Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documentation requirement
Any non-resident shareholder (This includes Foreign Companies, Bodies Corporate, NRI, Foreign Nationals and other foreign entities)	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	<p>Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty") as per Section 90 of the Income tax Act, 1961. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the RTA;</p> <ul style="list-style-type: none"> • Copy of the PAN Card, if any, allotted by the Indian authorities. • Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident. • Self-declaration in Form 10F available on RTA website at https://www.bigshareonline.com/docs/Form_10F.pdf • Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty • Self-declaration of beneficial ownership by the non-resident shareholder • Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>However, the Company in its sole discretion reserves the right to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts and to call for any further information. Application of DTAA rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company.</p>
Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI)	20% (plus applicable surcharge and cess)	None (Treaty benefit not available to FII/FPI). TDS rate shall not be reduced on account of the application of the Lower DTAA rate or lower tax deduction order, if any
Submitting Order under section 197 of the IT Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Note: The Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

PROCEDURE FOR SUBMISSION OF DOCUMENTS:

Form 15G/15H/10F are available on the website of our RTA, Bigshare Services Private Limited. The same can be downloaded from Bigshare Services Private Limited's website <https://www.bigshareonline.com/Resources.aspx> The above mentioned documents (duly completed and signed) are required to be uploaded at <https://www.bigshareonline.com/dividendTDS.aspx>. The Company has shared links of this forms as well as link for uploading the documents/forms via SMS with those Shareholders holding shares of the Company as on Friday, August 07, 2020 and having their Mobile Number registered with the Company. Shareholders can also send their duly signed tax declarations or communications/ queries to company's RTA at their email id tlds@bigshareonline.com

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide/upload these details and documents as mentioned above before Friday, September 04, 2020. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication/documents on the tax determination / deduction shall be considered post Friday, September 04, 2020.

Further, shareholders who have not registered their email address are requested to register the same with our RTA. Shareholders are further requested to complete necessary formalities with regard to their Bank accounts attached to their Demat account for enabling the Company to make timely credit of dividend in respective bank account especially in view of COVID 19 pandemic. Shareholder can update their email ids/ Bank details/Mobile Number online at company's RTA website at <https://www.bigshareonline.com/InvestorRegistration.aspx> The detailed steps regarding the registration are mentioned under serial number 21.

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It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. The Registers of the Directors and Key Managerial Personnel and their shareholding under Section 170 of the Companies Act, 2013 and other statutory documents, will only be made available for inspection to the members on their request to the Company at cs@sci.co.in mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.

19. Instructions for e-voting and joining the AGM are as follows:

20. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- II. The remote e-voting period commences on Tuesday, September 15, 2020 (9:00 a.m. IST) and ends on Thursday, September 17, 2020 (5:00 p.m. IST). During this period, Members holding shares as on cut-off date i.e Friday, September 11, 2020 either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III. The Board of Directors has appointed Shri Upendra Shukla (Membership No. FCS 2727), Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- V. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- VI. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the close of the business hours of Friday, September 11, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she are already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- VII. The details of the process and manner for remote e-voting are explained herein below:

How to vote electronically using NSDL e-Voting system

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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How to Log-in to NSDL e-Voting website

- I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- II. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- IV. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- V. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email id are not registered.
- VI. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL
- VII. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- VIII. Now, you will have to click on “Login” button.
- IX. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

- I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- II. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- III. Select “EVEN” of company which is 113581.
- IV. Now you are ready for e-Voting as the Voting page opens.

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- V. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- VI. Upon confirmation, the message “Vote cast successfully” will be displayed.
- VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- I. President of India/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Decision/Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company by e-mail to cs@sci.co.in with a copy marked to evoting@nsdl.co.in.
- II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- III. In case of any queries, with respect to remote e-voting or e-voting at the AGM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or can contact NSDL on evoting@nsdl.co.in
- IV. Further, please find below details of NSDL officials for queries: Mr. Amit Vishal, Senior Manager – NSDL, 022-24994360 or email at amitv@nsdl.co.in or Ms. Pallavi Mhatre, Manager, NSDL at 022-2499 4545 or email at pallavid@nsdl.co.in

21. Manner of updating Mobile Numbers, Bank Account and Email addresses.

By following any of the below mentioned process, the shareholders are requested to update their Mobile Numbers, Email addresses and Bank Account Details in order to receive:

- E-Notice, Annual Report and all other electronic communication relating to the conduct of the AGM.
 - Dividend directly in the Bank Accounts.
- I. Those shareholders holding shares in the Demat Form can update their Mobile Number, Email addresses and Bank Account details with their relevant Depositories through their Depository Participants. Those shareholders holding shares in the Physical Form, are requested to furnish the details of mobile number, email addresses and bank account details to the Company's Registrar and Share Transfer Agent (RTA) at 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 or at Email: investor@bigshareonline.com along with the name of the shareholder, folio number, scanned copy of the share certificate(front and back) and self attested copy of PAN Card. Following additional details to be provided for updating Bank Account for receiving Dividend.
 - (i) Name and branch of the Bank
 - (ii) The Bank Account type
 - (iii) Bank account number
 - (iv) 9 Digit MICR Number
 - (v) 11 Digit IFSC Code
 - (vi) Scanned copy of the cancelled cheque bearing the name of the first shareholder.
 - II. Company has also provided the SMS facility, under which those shareholders who have registered their mobile numbers with the Company and holding shares of the Company as on Friday, August 07, 2020 will receive SMS on their registered mobile numbers. The shareholders will be directly routed to the window of updation of Email addresses and Bank Account details by accessing the URL provided in the SMS .
 - III. Those shareholders who have not received SMS from the RTA but holding the shares of the Company on Friday, September 11, 2020, can access this URL at RTA' website at <https://www.bigshareonline.com/InvestorRegistration.aspx> for updating their Mobile Number, Email addresses and Bank Account Details.
 - IV. The shareholders can also send the details of Mobile Number, Email addresses and Bank Account along with other details and documents mentioned at Sr no.(I) above directly to the RTA at investor@bigshareonline.com

22. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- I. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- II. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.



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- III. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same persons mentioned for remote e-voting.

23. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- II. Facility of joining the AGM through VC / OAVM shall open 2 hours before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.
- III. Members who need assistance before or during the AGM, can contact NSDL on call on toll free no.: 1800-222-990 or can contact NSDL on evoting@nsdl.co.in. Further, please find below details of NSDL officials for queries: Mr. Amit Vishal, Senior Manager – NSDL, 022-24994360 or email at amitv@nsdl.co.in or Ms. Pallavi Mhatre, Manager, NSDL at 022-2499 4545 or email at pallavid@nsdl.co.in.
- IV. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number, email address at cs@sci.co.in from Friday, September 04, 2020 (9:00 a.m. IST) to Friday, September 11, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The Company may respond suitably to those shareholders who had sent request to the Company to express their views/questions but due to paucity of time did not get opportunity to ask questions during AGM.
- V. Members are encouraged to join the Meeting through Laptops for better experience.
- VI. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- VII. Institutional Members are encouraged to attend and vote at the AGM through VC/ OAVM. In case any Institutional Members, facing issues for participating in AGM can contact NSDL on call on toll free no.: 1800-222-990 or can contact NSDL on evoting@nsdl.co.in Further, please find below details of NSDL officials for queries: Mr. Amit Vishal, Senior Manager – NSDL, 022-24994360 or email at amitv@nsdl.co.in or Ms. Pallavi Mhatre, Manager, NSDL at 022-2499 4545 or email at pallavid@nsdl.co.in
- VIII. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

24. Other Instructions

- I. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the report to the Chairperson or a person authorised by her in writing, who shall countersign the same.
- II. The result declared along with the Scrutinizer's Report shall be submitted to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed and shall also be placed on the Company's website www.shipindia.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately.

Dipankar Haldar
Executive Director (Legal Affairs) &
Company Secretary

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

Date: 07.08.2020

ANNEXURE TO THE NOTICE

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

Item No. 5 of the Notice

The following explanatory statement sets out all the material facts relating to special business mentioned in Item No.5 of the accompanying notice dated 07.08.2020 convening the 70th Annual General Meeting of the Company.

The Board of Directors of the Company appointed Shri Pramod Kumar Panda as an Additional Director (Independent) of the Company with effect from 18.10.2019, 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 Pramod Kumar Panda would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

The Company has received from Shri Pramod Kumar Panda (i) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub-Section (2) of Sec. 164 of the Companies Act, 2013; and (ii) a declaration to the effect that he meets the criteria of independence as provided in sub-Section 6 of Sec. 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board of Directors, Shri Pramod Kumar Panda, proposed to be appointed as an Independent Director, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the management.

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. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends this Ordinary Resolution for your approval.

Item no. 6 of the Notice

The following explanatory statement sets out all the material facts relating to special business mentioned in Item No.6 of the accompanying notice dated 07.08.2020 convening the 70th Annual General Meeting of the Company.

Government of India appointed Shri Atul Ubale as director on November 11, 2019 and was appointed as an Additional Director of the Company by the Board of Directors with effect from December 05, 2019 i.e on his obtaining DIN, 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 Atul Ubale would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company. A brief profile of Shri Atul Ubale is given under the section 'Board of Directors' of the Annual Report.

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. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends this Ordinary Resolution for your approval.

ANNEXURE TO NOTICE

Details of the Directors seeking re-appointment/ appointment at the forthcoming Annual General Meeting

Name of Director	Smt. Sangeeta Sharma (DIN: 07969443)	Shri Pramod Kumar Panda (DIN: 08150489)	Shri Atul Ubale (DIN: 08630613)
Date of Birth	06-11-1960	03-04-1957	14-06-1965
Date of Appointment	29-12-2017	18-10-2019	05-12-2019
Qualifications	<ul style="list-style-type: none"> Masters in Management Studies from World Maritime University, Malmo, Sweden. Masters in Personnel Management Bcom 	<ul style="list-style-type: none"> Masters' Degree in Science (MSc) from London School of Economics & Political Science, UK Master's Degree Arts (MA) in Political Science Bachelor's Degree in Law (LLB) 	<ul style="list-style-type: none"> Bachelor of Commerce, Mumbai University Master of Management Studies, Mumbai University.
Expertise in Specific Functional areas	Over 34 years of experience in all facets of shipping services especially in liner commercial operations, project management and personnel management, strategic planning and contract negotiations.	<ul style="list-style-type: none"> Vast and Extensive experience in Reserve Bank of India (RBI)'s onsite supervision and off site monitoring of commercial banks. He also specializes in financial regulation, banking supervision and capacity building financial inclusion. Deep technical knowledge and understanding of internal controls, risk management including fraud risk management and corporate governance. He has rich experience, both at global and national levels in designing and delivering high quality and innovative capacity building programs. He is associated with the Centre for Advanced Financial Research and Learning (CAFRAL)'s 	Over 30 years of vast experience in various facets of core shipping activities, O&M Off Shore Contracts, indigenising Indian offshore industry, Ship acquisition/shipbuilding contracts for augmenting Indian tonnage in Technical & Offshore Services. Chartering & Commercial operations of Bulk Carriers & Tankers, besides serving in SCI's overseas office in UK and SCI's Joint Venture Company in Tehran. Expertise in Chartering & Commercial operations.
Directorship held in other public companies (excluding Foreign, Private and Section 8 companies)	Sethusamudram Corporation Ltd	NIL	NIL
Membership/Chairpersonship of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL	NIL
Number of shares held in SCI	NIL	NIL	NIL
Membership/Chairpersonship of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL	NIL
Number of shares held in SCI	NIL	NIL	NIL
Number of Board meetings attended	Please Refer Corporate Governance Report		
Relationships between Directors inter-se	There is no relationship inter se between the Directors.	There is no relationship inter se between the Directors.	There is no relationship inter se between the Directors.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 70th Annual Report on the working of your Company for the Financial Year ended 31st March, 2020.

FINANCIAL PERFORMANCE

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

(₹ in Crores)

Particular	Current Financial Year (2019-2020)	Previous Financial Year (2018-2019)
Revenue from Operations	4,425.44	3,872.85
Other Income	242.95	232.23
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1,382.91	942.66
Less: Depreciation/ Amortisation/ Impairment	671.27	658.46
Profit /loss before Finance Costs, Exceptional items and Tax Expense	711.64	284.20
Less: Finance Costs	364.13	359.05
Profit /loss before Exceptional items and Tax Expense	347.51	-74.85
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	347.51	-74.85
Less: Tax Expense (Current & Deferred)	45.16	47.14
Profit /loss for the year (1)	302.35	-121.99
Other Comprehensive Income/loss (2)	14.62	5.64
Total (1+2)	316.97	-116.35
Balance of profit /loss for earlier years	306.32	422.67
Less: Transfer to Tonnage Tax Reserve	21.00	-
Balance carried forward	602.29	306.32

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 2019-20 shows a net profit of Rs. 302.35 crore. A sum of Rs 21 crore has been transferred to Tonnage Tax Reserve for the financial year 2019-20. After adjusting an opening credit balance of Rs. 306.32 crores (being balance Retained earnings brought forward from previous year) and adding items of other comprehensive income of Rs. 14.62 crores that are recognized directly in retained earnings, there is a credit balance in Retained earnings of Rs. 602.29 crores as on 31st March 2020.

Dividend:

The Board of Directors of your company is pleased to recommend a dividend of Rs.0.75/- per equity share of the face value of Rs.10/- each (@ 7.5%), for the year ended 31st March,2020.

The dividend, subject to approval of the Members at the Annual General Meeting scheduled to be held on 18.9.2020. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, September 10, 2020 i.e. the date prior to the commencement of book closure, will be paid the Dividend for the financial year ended 31st March, 2020, as recommended by the Board, if approved at the AGM.

The payment of dividend will be subject to deduction of tax at source. The dividend pay-out is in accordance with the company's dividend distribution policy, which is available on the Company's website http://shipindia.com/upload/policies/SCI_Dividend_Distribution_Policy1.pdf

Share Capital:

The Company has not issued any Equity Shares with differential voting rights. Hence, no information as required under Section 43(a) (ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished. The Company has only one class of Equity Shares having face value of Rs 10/- each.

Brief Analysis of Financial Performance

SCI has reported a net profit after tax of Rs. 302.35 crores for the financial year 2019-20. The Tanker segment has outperformed other

DIRECTORS' REPORT

segments due to high demand of tanker vessels resulting into high TCY (time charter yield). Bulk segment performance has remained steady and at par with market conditions. The Technical & Offshore segment has shown improvement in terms of revenue as well as profit due to long term contracts and better utilization of vessels. The Liner segment has also shown improved performance in terms of revenue but could not reflect the same in segment results due to higher operational costs. Apart from above, low sulphur bunker cost and devaluation of rupee has also adversely affected result of the company.

The consolidated net profit for the company for Financial Year 2019-20 was ₹ 336.48 crores.

Performance and Financial positions of joint ventures and subsidiary included in consolidated financial statements:

Fig. (₹ in Lacs)

Particulars	ILT 1	ILT 2	ILT 3	ILT 4	ICSL
As on	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
Total Income	17,375	17,107	18,673	18,884	0.32
PAT	6,747	6,701	653	4,654	(0.082)
Equity capital	17	17	8	32000	5
Number of equity shares	10000	10000	10000	42448300	50000
EPS (Rs/share)	67,470	67,010	6,532	11	0
Dividend	-	-	-	-	-
Net worth	40,042	39,688	(13,680)	24,179	(5)

Net Impact on Consolidated profits for the year ended 31st March 2020 is increase of Rs 34.14 crores upon consolidation of above joint ventures and subsidiary .

1.0 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

SUBSIDIARY

2.0 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.

JOINT VENTURES

3.0 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.

4.0 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) and Petronet LNG to own and operate one 173,000 CBMLNG Tanker for transporting 1.44 million metric tons of LNG primarily from Gorgon, Australia to India for charterers Petronet LNG Limited . The vessel is

DIRECTORS' REPORT

now novated to Exxonmobil by Petronet LNG and operating world-wide with a focus on India and Far East region. SCI is the manager for this company and is managing the techno-commercial operations of the tanker.

5.0 Irano Hind Shipping Company

The Company holds 49% in Irano Hind Shipping Company, P.J.S (IHSC) a joint venture company. As per directives received from the Govt. of India, it has been agreed to dissolve the Company. Therefore investment in IHSC is classified as asset held for sale.

6.0 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 has completed the process of winding up and uploading of details is awaited by ROC.

1.0 Fleet Position during the Year:

During the year under report, while there has been NIL additions to the fleet, two vessel (m.t. Ankleshwar and m.t. Maharaja Agrasen) were disposed off from the SCI fleet. Thus the overall fleet position of SCI stood at 59 vessels of 5.311 million DWT at the end of the year.

Fleet Profile during the Year

Particulars		As on 31.03.2019		Additions		Deletion		As on 31.03.2020	
		No.	DWT	No.	DWT	No.	DWT	No.	DWT
1.	(a) Crude Oil Tanker*	20	3526550	-	-	2	294948	18*	3231602
	(b) Product Tankers	13	862925	-	-	-	-	13	862925
	(c) Gas Carriers	1	53,503	-	-	-	-	1	53,503
2.	Bulk Carriers	15	1022344	-	-	-	-	15	1022344
3.	Container vessels	2	115598	-	-	-	-	2	115598
4.	Offshore vessels	10	25238	-	-	-	-	10	25238
Total		61	5606158	-	-	2	294948	59*	5311210

* - Instrument of Sale for m.t. Maharaja Agrasen (Crude oil tanker) was signed with the Buyer on 26.03.2020, while physical delivery of vessel took place on 27.04.2020.

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

Vessel Name	Type	Year Built	DWT
Ankleshwar	Crude oil Tanker	1994	147,474
Maharaja Agrasen *	Crude oil Tanker	1995	147,474

* Instrument of Sale for m.t. Maharaja Agrasen (Crude oil tanker) was signed with the Buyer on 26.03.2020, while physical delivery of vessel took place on 27.04.2020.

2.1 At the end of the year, the Company had no new built 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, 2020 is appended to the Directors' Report. A copy of the Annual Return is available at <http://shipindia.com/investors/downloads>

2.4 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. These transactions are at arm's length and entered in the normal course of business.

2.5 Particulars of Employees

Your Company, being a Govt. Company, is exempted to furnish information under Section 197 of Companies Act, 2013 vide Ministry of Corporate Affairs (MCA) Notification dated 05.06.2015.

2.6 Employees Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

DIRECTORS' REPORT

2.7 Company's Policy on Directors appointment and remuneration

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

2.8 Receipt of Remuneration by Managing Director from Subsidiary Companies

Smt. H.K. Joshi, Chairperson & Managing Director also holding Addl.charge of Director (Finance) of the Company, has not received any remuneration from any of its subsidiary companies.

2.9 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.

SCI-Maritime Training Institute has fully complied with the requirements of Directorate General of Shipping pertaining to conduct of courses and has also complied with the Indian Maritime University guidelines.

MTI is actively participating in Swachh Bharat drive within the campus and in public places. Cadets, trainees, faculties and staff are involved in the activities planned at regular intervals. In line with Govt.'s vision, SCI-MTI contributed massively in the swacchta pakhwada from 17.09.2019 to 02.10.2019 and organized various cleaning drives, wall painting, poster making competition, essay writing competition etc. in the vicinity of MTI Powai for increasing awareness.

SCI-Maritime Training Institute organized a March Past by uniformed cadets of MTI on the occasion of "Rashtriya Ekta Diwas (National Unity Day)"

3.0 Risk Management

Pursuant to Regulation 21 of the SEBI (LoDR) Regulations, 2015 and amendments thereon, a Risk Management Committee was constituted in the Board Meeting held on 3.8.2019 consisting of all Functional Directors and HOD (IT). During the Financial Year the Chief Financial Officer was also nominated in the Risk Management Committee with effect from 1.11.2019. The senior Most Director is the Chairperson of the Committee. 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. The top priority in the present situation includes the implications arising from endemic circumstance and continuing with the business as per the business continuity model by identifying the critical functions.

3.1 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.

3.2 Foreign exchange earnings and outgo

(₹ in crores)

Particulars	2019-20	2018-19
Foreign exchange earned*	4500.52	4035.27
Foreign exchange outgo*	4422.91	4221.69

* includes deemed foreign exchange earning and outgo.

3.3 Public Deposit

During the financial year 2019-20, your Company has not accepted any deposit within the meaning of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

3.4 Proposed Strategic Disinvestment of SCI

During the year ended 31st March 2020, Department of Public Asset Management (DIPAM), Government of India has appointed the following respectively as Transaction Advisor (TA), Legal Advisor (LA) and Asset Valuer (AV) for Strategic Disinvestment of the Government of India's

DIRECTORS' REPORT

63.75% equity shareholding in SCI.

- i) M/s. RBSA Capital Advisors LLP;
- ii) M/s. Luthra & Luthra Partners and
- iii) M/s. Protocol Insurance Surveyors & Loss Assessors Pvt Ltd

Information sought by the three Advisors is being furnished by SCI from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

The following remaining information w.r.t. to 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	
	2019-20	2018-19*	2019-20	2018-19*
Debtors Turnover	7.30	6.10	7.30	6.10
Inventory Turnover	7.70	8.00	7.70	8.00
Interest coverage Ratio	1.95	0.79	2.05	0.96
Current Ratio	0.53	0.60	0.53	0.60
Debt Equity	0.38	0.53	0.37	0.51
Operating Profit Margin (%)	0.02	-0.08	0.03	-0.06
Net Profit Margin (%)	0.07	-0.03	0.08	-0.02
Return on Net worth (%)	4.14	-1.75	4.50	-0.87

* Ratios of comparative period i.e, 2018-19 are based on previous year figures which have been regrouped and rearranged wherever necessary to confirm to current year presentation of the financial statements as per Schedule III (Division II) to the Companies Act 2013.

Ratio – Details of Significant changes and explanation thereto:

- 1) Interest coverage Ratio - Interest Coverage ratio for standalone has increased to 1.95 in F.Y. 2019-20 as compared to 0.79 in F.Y. 2018-19. This is due to increase EBIT of Rs. 28420 lakhs in 2018-19 to Rs. 71164 in F.Y. 2019-20. Finance Cost in both the years is almost same.
- 2) Debt equity ratio - Debt equity ratio has improved from 0.53 as on 31st March 2019 to 0.38 as on 31st March 2020 due to repayment of long term loan and profit during F.Y. 2019-20
- 3) Operating Profit Margin (%) - Operating Profit Margin Ratios is increased as revenue from operation as well as net profit both have increased as compared to F.Y. 2018-19. Revenue from operation has increased to Rs. 442544 lakhs in F.Y. 2019-20 from Rs. 387285 lakhs in F.Y. 2018-19 whereas operating profit has increased to Rs. 10456 lakhs from Rs. (30708) lakhs in 2018-19.
- 4) Net Profit Margin (%) - Net Profit Margin Ratios is increased as revenue from operation as well as net profit both have increased as compared to F.Y. 2018-19. Revenue from operation has increased to Rs. 442544 lakhs in F.Y. 2019-20 from Rs. 387285 lakhs in F.Y. 2018-19 whereas net profit has increased to Rs. 30235 lakhs from Rs. (12199) lakhs in 2018-19.
- 5) Return on Networth (%) - Net profit has increased to Rs. 30235 lakhs in F.Y. 2019-20 from Rs (12199) lakhs in the F.Y. 2018-19 for standalone and to Rs 33648 lakhs for the F.Y. 2019-20 from Rs (6266) lakhs in the F.Y. 2018-19 for consolidated results

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

i) World Scenario

The world GDP grew by an average of 2.9% in 2019, compared to the economic expansion of about 3.6% in the previous year. The IMF has reported growth estimates for 2020 and 2021 as -3.0% and 5.8% respectively. Such extreme variation for a two year time span may seem quite unreasonable at any other time, however, at this juncture in time, the global reality is at such a precarious state that even these numbers seem to be in order. This situation is rendered by the colossal, once-in-a-century global health crisis of COVID-19. This crisis is quite different from the previous global financial crisis of 2008, in that this one is primarily a public health crisis, with economic and financial crises being derived from it. The rapid global spread of the contagion has made it a pandemic. And with most effective tools to combat the spread being Social Distancing, Quarantines and Lockdowns, the pandemic has sent major economic and financial shockwaves around the world. The economic throughput across the world contracted substantially, putting severe strain on businesses. The Corona virus pandemic has become the single most predominant factor in shaping the global economy in short-to-medium term future. World hopes for a sharp V-shaped recovery with resurgence in demand (hence the IMF's global growth prediction of 5.8% jump in 2021) once the lockdowns begin to ease. COVID-19 pandemic's impact has single handedly put on the sidelines all the other global economic issues such as US-China trade tensions, Venezuelan and Middle Eastern crises, attacks on ships in Gulf of Oman & Red Sea, rising economic inefficiency & political instability in Latin America, sluggish growth in Asia etc. Such major global economic-geopolitical issues have taken a backseat, underscoring the severity of impact of the pandemic.

DIRECTORS' REPORT

In advanced economies, the economic growth is expected to be put in reverse gear, projections being -6.1% for 2020, on account of massive infection numbers in US & business shutdowns throughout Canada, Australia and Russia, while European & UK economies also suffered heavily by corona virus pandemic. Meanwhile, EMDE (Emerging Markets and Developing Economies) are expected to fare a bit better, although still shrinking by a projected 1% in 2020, riding on the back of China, Japan and South Korea who seem to be coping well with the pandemic. However, there are many inherent risks to this forecast, as the pandemic situation is still live and very dynamic. Large populations mean many Asian economies like India, Indonesia, and China will have to tread carefully for a substantial amount of time going forward, as risks of infections become exponentially high as economic activity re-opens. This dampens their aggressive economic growth prospects. Also, large amount of foreign portfolio investments coming to EMDEs from advanced economies might decline this year, making acute shortages of new investment funds with EMDEs.

For the next two years, the global GDP growth is forecasted to shrink to 3.0% in 2020 and then bounce back to 5.8% in 2021 on the assumption of quick rebound in demand. During 2020, health crises will take precedence over economic worries. Still, almost all major economies have declared stimulus & relief packages which should provide support to a large chunk of businesses. In the year 2021, the world output is expected to come somewhat back on track, with growth bouncing back to 5.8%. The Pandemic is expected to be contained till then and with the underlying assumption of swift demand revival and continued policy support, economy is expected to normalize

ii) Global GDP

According to IMF, Global Trade Volume (goods & services) growth has been only 0.9% in 2019 and is expected to experience a massive shock of around -11.0% in 2020. In developed countries, the trade volume growth is expected to shrink massively in 2020, at an average of around -12.1%. USA and Italy became epicenters for the pandemic and most of the Europe has also suffered a lot by a high number of infections. This rendered the productive economic activity almost non-present in these regions. Also, severe lockdowns imposed by Canada, Russia & major European countries weakened trade growth in the region.

In the EMDE (Emerging Markets & Developing Economies) region, the growth in trade volume during the year 2019 was -0.8% in imports and 0.8% in exports. China, a major contributor to the global economy, saw its growth diminish due to impacts of trade restrictions imposed on trade with USA, and weak investment sentiments. The Indian economy was already experiencing sluggishness in early parts of 2019. This weak trend continued in second half of 2019 also, producing weak economic output numbers. Persistent crisis in Venezuela and rising political uncertainty in many South American economies added to the weak sentiments. Overall, the world's total trade volume is forecasted to decline massively by -11.0% in 2020, on the backdrop of widespread economic damage caused by COVID-19.

Statistics-wise, IMF's World Economic Outlook states that global trade volume will massively shrink by -11.0% in 2020 and gather momentum towards normalization thereafter to 8.4% hike in 2021, as against 0.9% in 2019. The combined economy (GDP) of developed nations is expected to shrink by -6.1% in 2020 and then rise by 4.5% in 2021. Whereas, the report forecasts that economies of Emerging Markets & Developing Countries will shrink by -1.0% and then bounce back by 6.6% in 2020 and 2021 respectively, as against the growth of 3.7% in 2019. Going forward, strong organic demand and accompanying domestic as well as international trade will be the key growth determinant especially for EMDE countries.

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 drop of -1.32% in 2019 as compared to 0.29% growth in 2018. Within the seaborne oil trade development, the 'Crude oil' trade decreased by -2.2% with total figure at 2,059 million tons in 2019. Whereas, 'Product trade' (excluding Fuel Oil) was at 714 million tons in 2019, increasing by 1.2%. The crude & product tanker fleets expanded by 6.35% & 2.65% respectively in 2019 (when calculated by gross dwt), as compared to figures of 0.82% & 3.92% during the previous year. For the year 2020 till early part of 2021, mixed fortunes await the Crude and Products tanker markets. On Crude side, the markets experienced a freight level surge during Q1 2020-21, brought about by steep contango situation owing to some of the lowest oil prices in recent history. However, crude tanker market is expected to soften as oil demand returns to normalcy. On Products side, the slump in demand for refined petrochemical products has hampered growth prospects and thus product tanker markets are expected to remain fairly stagnant during 2020.

The dry bulk trade showed a moderate growth of 1.5% in volume over the course of the year 2019, however the forecasts for 2020 are not promising owing to the Pandemic related steep decrease in raw material demand. Negligible production as well as consumption activity due to pandemic has brought down the dry bulk tonnage demand, as raw material demand has dried up. The total dry bulk fleet growth rate was about 3.84% in 2019, which is moderately higher than that in 2018 figure of 2.97%. Due to low demand of dry bulk materials in 2020, dry bulk ship charter rates are expected to remain soft during the first half of 2020. However, after a steep correction, the dry bulk charter rates are expected to recover from last quarter 2020 as demand normalizes and fleet growth remains subdued.

iv) Indian Scenario

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As per Central Statistics Office (CSO), Indian economy grew by a lower than expected rate of 4.18% (estimated) in FY 2019-20, as compared to the growth rate of 6.1% in 2018-19. The growth numbers have continued to exhibit a downward trend due to lack of major capital investments, lower domestic demand, stagnant manufacturing sector and dampened sentiments across the sectors. Meanwhile, there have been no major factors rendering an upward swing in the GDP. A combination of these factors has thereby caused the growth to slip up. The agriculture/farming sector exhibited an encouraging annual GVA (Gross Value Added) growth of 4.0% in 2019-20, while the sector had registered 2.4% 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 4.1% in 2019-20 as compared with 8.2% growth rate in the previous year 2018-19.

According to sources from Ministry of Commerce, India's exports in value terms deteriorated significantly by -11.64% to US\$291.65 billion in 2019-20 (calculated basis data available only till Feb'2020), while imports also decreased significantly by a figure of -13.86% to US\$ 442.81 billion (calculated basis data available only till Feb'2020). One of the main reasons for this extraordinary drop in imports was substantially lower levels of crude oil prices over the financial year period. As per Press Information Bureau & Indian Port Association (IPA), the quantum of Cargo Traffic at India's 12 major ports rose by 0.98% in the period April 2019 to March 2020 i.e. cargo traffic rose to around 704.82 million tons in the period April 2019- March 2020 period, as compared to 699.1million tons 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 33.65% share, followed by Container traffic at 20.85%, Thermal & Steam Coal at 13.11%, 'Other Misc. Cargo' (10.06%), Coking & Other Coal (8.08%), Iron Ore & Pellets (7.80%), Other Liquid (4.19%), Finished Fertilizer (1.32%) and FRM (0.94%) respectively. The performance of the Indian ports has improved over the years as a result of many measures initiated by the Ministry of Shipping focused towards elevating the performance of ports. These include mechanization of the terminals, focus on improving the TAT (turn-around time), introduction of new processes and practices for quick evacuation of cargo, extended use of new technologies like electronic tagging, block-chain etc., special thrust on coastal transportation, expansion/modernization of port-related infrastructure and skill development of port 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, 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 a unique ability to exploit demand growth in any given segment with a quick-mover advantage. New acquisitions have brought down average age from 18 years in 2007 to about 11.28 years presently. SCI's fleet composition with India centric approach, the ability to respond to changes in market and swift decision making offers flexibility in operations. Longstanding COA relationships with major Indian Oil Refineries offer cargo security & employment assurance for major part of the tanker fleet.

vi) Outlook

The prospects for global economy point to one of the widest possible ranges of growth from -3.0% to 5.8% in 2020-21. In the tanker markets, the crude tanker market freight levels are expected to come down from the reasonably high levels of April-May 2020. The global crude oil trade became quite weak due to COVID-19, causing the oil prices to fall down. However, remarkably, instead of falling down along with oil demand, crude tanker freight rates spiked higher due to rise in usage of vessels as floating storage. Now, as oil demand begins to show strength in 2nd half of 2020, oil from floating storages will be consumed first. Thus there would be rise in crude tanker tonnage, causing crude tanker freight levels to fall. Thus, a moderately pessimistic next few quarters for crude tanker markets from 2H2020 onwards are predicted.

The product tanker markets are expected to remain under pressure as a very large portion of the refined product demand is destroyed by the pandemic and accompanying lockdowns. The demand for gasoline and other refined fuels has nosedived since almost all forms of travel have come to a halt. Petrochemical products demand is also experiencing a similar shock since most of world is focusing on consuming only essential items. This scenario will put product tanker shipping markets under intense pressure during 2020-21.

In the dry bulk market, optimistic trend was nullified by the adverse impact of COVID-19 on dry bulk commodities. The pandemic stopped almost all manufacturing and construction activities in its tracks. Due to this, demand for steel, cement and coking coal was adversely affected to a large extent. Poor trade in dry commodities pulled down the dry bulk freight markets significantly. Also, there is rise in tonnage supply compared to last year and this increased tonnage supply is expected to further strain market rate levels. However, there are some rays of hope as grain trade is looking strong and demand is expected to bounce back in countries where lockdowns are eased.

It would be prudent here to mention that all of the above forecasts have an underlying assumption of COVID-19 pandemic being controlled to extent in the 2nd half of 2020. Since the situation is ongoing and very dynamic, delays in containing the virus beyond assumed timelines or eruption of secondary/tertiary waves of infection may further weaken the global trade, thus sharply pulling down the shipping freight markets.

The outlook for shipping markets depends to a large extent upon overall global economic activity and upon readiness of the major trading economies in re-integrating with the world markets via increased globalization. National policies backing free movement of goods in the

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global markets, enable companies to endeavor in building extensively global supply chains, thereby generating more seaborne trade.

vii) Opportunities and Threats

The global GDP is expected to shrink by -3.0% in 2020. Both advanced economies as well as developing economies will be highly impacted by the pandemic-forced lockdowns and businesses will suffer through the globe, thus the recessionary forecast. US economy is expected to contract by -5.9% in 2020, down from 1.7% growth achieved in the previous year 2019. As mentioned earlier, the pandemic situation is very dynamic and it has already created steep contango situation once. Tanker freight markets will be dependent to large extent on future utilization of vessels as floating storage and production cuts of OPEC+ and the like. Regions where onshore storage capacities have already been stretched are a good bet for rising floating storage tonnage requirement, which would spur that market upwards. Also, rising uncertainty in tanker markets means some Charterers may be keen to mid-to-long term time charters at elevated levels. This may present a decent opportunity for tanker market owners. Strategically placed vessels in these regions will be primed to take advantage of this shifting dynamic.

The Chinese GDP growth is expected to be 1.2% in 2020, sharply down from the figure of 6.1% exhibited in 2019, on the backdrop of COVID-19 induced lockdowns, trading limitations, demand slowdown and weakened global sentiments hurting the export oriented Chinese economy. The Indian GDP growth has been below China for the year 2019, breaking the earlier trend of India growing at a faster pace. After staying at depressed levels throughout last year, the rising crude oil prices are expected to dampen the economic prospects of most of the developing Asian nations whose economies are oil-import dependent, thereby providing a case for mixed economic outlook. The Asia region (Emerging & Developing Asia) is expected to grow by 1.0% in 2020, in sharp contrast with achieved growth level of 5.5% in 2019 (owing to economic fallout of pandemic), with India poised to grow at 1.9%. The Euro economy is expected to show a strong contraction of -7.5% in 2020, with growth hampered primarily by the country-specific systemic issues (Ex. Brexit impact, Greek and Italian economies) and majorly by lockdown-related effects. The Japanese economy is expected to contract at a rate of about -5.2% in 2020.

Rising inequality, weak investment realization and rising protectionism in trade offer a huge challenge to the long-term global growth. The rise of local-sourcing emphasis and reduced inter-dependency between nations due to pandemic experience, overall protectionism, possibility of multiple waves of infections triggering containment measures, lockdowns and resultant in spending curbs, the near-constant inflationary pressures hampering growth prospects, 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 pose a significant threat to the economic activity & as such present a significant macro risk. The recently trending saber rattling on protectionist trade and emphasis on trimming of global supply chains to support local sourcing by large economies could curb seaborne trade growth. Highly reduced economic activity may destroy oil demand for near term too, since crude inventory build-ups could remain at high levels for a prolonged duration. 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. The most flagrant cause for concern across all segments of tankers and bulk carriers is the paradigm shift to be caused by future progress of COVID-19 pandemic.

Similarly in the dry bulk segment, significant tightening of monetary policy is set to have a drag on global trade, thereby causing downturns in manufacturing and construction projects, thus slashing demand for raw materials which are major dry bulk commodities. Also, tonnage oversupply is again looking to make a comeback in dry bulk trading economics. This is forecasted to put a short term strain on dry bulk shipping markets. Additionally, the declining cost of renewable energy and its growing acceptance and ever increasing compatibility remains a concern for the traditional coal importers. In India, Coal India, which is the major coal producer, continues to focus on increasing its domestic production and this thrust to reduce dependence on coal imports might adversely affect the seaborne coal import trade to India. More recently, it has to be noted that pandemic situation arose before US – China could conclude their much anticipated trade deal. Again when the pandemic began to spread in Europe and Americas, there were eruptions of tensions between the two economic giants. Prolonged strained relations between US and China stand to make recovery more challenging for the dry bulk market. The most flagrant cause for concern across all segments of tankers and bulk carriers is the paradigm shift to be caused by future progress of COVID-19 pandemic.

B. SEGMENTWISE FLEET & MARKET STUDY

a) Crude Oil & Product Tankers

In the year 2019 the global demand for Crude Oil registered a marginal increase of 0.71% to 99.8mbpd (million barrels per day) over the previous year. It is forecasted that global oil demand will register a sharp decline in 2020 owing to COVID19 disruption. As per figures from IEA (International Energy Agency), oil demand plunged by as much as 30% in April 2020. Although the oil demand is expected to recover to some extent as quarantines ease gradually, still overall demand is expected to fall by 9.4% in 2020. For the years 2020 and 2021, the demand will be dependent upon lockdown restrictions and pace of economic activity in these years.

The Indian crude oil demand, which had been steadily rising for the past few years, stagnated at around 226.96 MMT levels in 2019-20. The stagnation in demand indicates that Indian economy was experiencing gradual slowdown in activities. In later parts of the financial year, the already struggling oil demand was dealt a major blow by pandemic situation. Similar to 2017-18, Iraq remained India's top crude oil supplier in 2018-19 also, as per the data published by oil analysts.

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US domestic crude output is likely to decrease by about 1 mbpd in 2020, a significant reduction 10.98% over the year. After sharply rising for the last three years US crude production is expected to decrease in 2020, as persistently low oil prices are forcing US shale oil producers to curtail production. Meanwhile, OPEC countries & their non-OPEC allies (collectively known as (OPEC+), again restricted their production in 2019, via further cuts by Saudi Arabia and steep output losses in Venezuela. Both these phenomena, along with increasing trend in domestic US production (as oil prices improve) may result in increase in US oil exports, which would boost the tanker tonne-mile demand.

In tonne-mile terms, the crude oil trade contracted by -2.2% in 2019 as compared to the previous year, while products trade increased by 1.2% in the same period.

There were deliveries of 28.3 million dwt of Crude oil tanker tonnage and 3.3 million dwt of Product tanker tonnage in 2019. Looking further down the line, the expected deliveries of Crude oil tankers in 2020 and 2021 are 14.3 million dwt and 15.5 million dwt respectively. For Product tankers, the respective figures are 1.6 million dwt and 3.8 million dwt each. New building prices for crude tankers saw a rise in 2019, increasing by 4-5% on average, due to increasing freight rates and rising newbuilding costs. However, the prices are forecasted to soften as weak oil demand will translate into weak orderbook. Meanwhile, New building prices for product tankers also increased in 2019, increasing by 4-6% on average.

The near future crude as well as product tanker freight markets will strongly depend on how the pandemic situation develops, as global oil demand is greatly interlinked with the same. The average spot rate yield (TCE) of TD3C route of AG/China for VLCC was about US\$ 34,300/day in 2019. The future market in this segment appears to be in the range of US\$ 28,000-50,000/day, impacted significantly by global crude oil demand shock and a lot also hinges on utilization of VLCCs as floating storages. One Year TC rate for VLCC was about US\$ 37,800/day in 2019, with an upwards trend in 2020, after which a lot will depend of economic recoveries in the oil import-intensive regions. The Suezmax rate yield on West Africa – North West Europe (TD20) route was about US\$ 24,200/day in 2019 which is expected to climb up significantly. For Aframax, the spot rate on AG/Far East route (TD8) was US\$ 19,600/day. These freight levels were noticeably improved during 2019, but a significant rise was seen in first half of 2020 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\$ 14,300/day in 2019 and expected to exhibit an upward trend in 2020 and 2021. Average one year TC rate for LR1 was US\$ 16,500/day, which is an improvement over previous year's rate, however still not enough for owners to earn sizeable profits. The one Year TC rate for MR tankers was US\$ 14,700/day in 2019 and is expected to be around the same level of US\$ 14,700/day over the next year.

Your company has five VLCCs & all were operational during the year 2019-20. They were mainly employed on a mix of COA voyages & spot voyage charters with Indian as well as foreign charterers. The COA voyages earned handsome returns, while spot trades also returned reasonable yields. Your Suezmax tankers were mainly deployed with the Indian oil industry and performed COA voyages under the HPCL COA, while also occasionally performing spot voyages for Indian and foreign charterers. MT Desh Shakti was employed under time charter with an Indian oil PSU. Older Suezmax vessels however, unfortunately had lesser employment days due to performance issues & problems in port acceptances. The Suezmax and Aframax COA earnings are based on AFRA, which has been moderate throughout the year. The time charter rates compare well with market benchmarks.

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 - Far East / Red Sea voyages, along with coastal movement of heated crude oil and occasional lighterages in Indian waters.

Five LR-I tankers of the Swarna series were employed on Indian coast on a mix of COAs, spot voyages and time charters, catering to Indian coastal crude movement of the Indian oil industry. They also had other kinds of employments 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 hauling Clean Petroleum Product cargoes worldwide. It was employed with Scorpio LR1 pool.

Your GP product tankers in the Swaraja 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 compare well 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, which were deployed along Indian coast, were employed in a profitable mix of time and 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.

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Outlook

Tanker markets have been turned upside down by the impact of COVID-19. In crude tankers, we have the unusual situation of freight rates being in inverse proportion with oil demand. As oil demand plummets, freight levels usually come down, but this time oil demand has plummeted to such lows that on shore oil storage capacities have been tested to their very limits. Thus oil producers and traders have been searching for floating storage option, effectively reducing active tonnage in the market. As a result, freight rates have spiked up in crude tanker markets. Owners making effective use of this situation stand to achieve significant gains.

The IMO 2020 bunker regulations are in force. The consequent bunker composition change shall generate new demand for Diesel Oil and cleaner fuel, which mean shifting prominence for established trade routes and formation of some new trade routes. Moreover, the orderbook and fleet growth rate is expected to be weak in near future due to recessionary pressures. Thus, if demand begins to recover soon, there might be significant jump in product tanker tonnage requirement.

In Indian context, barring the present shock, the economy is expected to be on the growth track for the near future as many government initiatives and schemes kick in, giving a boost to manufacturing sector. Consumption is also forecasted to be strong. These factors will translate into robust oil demand, lending a strong hand to sustain import cargoes into the country as well as coastal oil movements. SCIL is uniquely positioned to cater to these trades and reap benefits therein.

Although the Asian as well as US crude oil imports will experience a dip in 2020, most of the forecasts expect the demand to recover in 2021 and crude oil imports to also rise subsequently. Thus there may be an upwards spike in tanker rate levels when refinery runs increase simultaneously throughout the globe.

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

There were geopolitical and structural concerns to the oil trade last year also. Many of those issues - US and China trade tensions, sanctions on Iran, marine violence in Middle East, Venezuelan crisis, slowdown conditions in US, Europe and some Asian economies etc. still persist. However, COVID-19 has upstaged them all and has unfortunately become the leading cause of concern across the globe. It has dramatically declined the oil demand worldwide and as mentioned earlier, the situation is very dynamic and the pessimistic forecasts pose a great risk to all of trade and thus shipping too. Markets may become very fragile and unpredictable in near term, making them difficult to gauge and plan for.

The immediate aftermath of weak global trade, lockdowns and quarantines, restrictions on movement and travel is the decline in refined petrochemical products demand. The clean products markets were showing strength due to IMO 2020 induced demand revival. However, fall of demand may cause the product tanker markets to be stagnant once again at the depressed levels, with limited upside potential due to return of negative sentiments. Jittery products trade poses a significant downwards risk to the products tanker markets.

b) Dry Bulk

The benchmark, Baltic Dry Index (BDI) rose marginally to an average of 1298 in 2019-20 against an average of 1252 in 2018-19 registering a moderate 3.67% increase, reaching its highest average monthly value in September 2019.

When compared to 2019, dry bulk trade is set to exhibit a trade decline of -1.88% in 2020, with tonne-mile demand falling by an estimated -1.27%. The dry bulk global trade is expected to grow on an average of 2.1 - 4.4% for subsequent 3 years.

Dry bulk markets were already depressed in Q4 2019-20 when they were dealt a major blow in the form of COVID-19. Markets in February, though depressed, were gradually recovering as more and more vessels were expected to go for retrofitting of scrubbers to comply to IMO 2020 regulations, effectively reducing tradeable tonnage. However, due to pandemic uncertainty, many owners have postponed the retrofitting's, causing oversupply of tonnage. Also, loss of dry bulk cargoes on account of weakened manufacturing and construction activity stands to further strain the markets.

The dry bulk fleet grew by a moderate 3.42% in the year 2019. Dry bulk fleet growth can be attributed to low incentive for scrubber retrofitting and strong deliveries in 2nd half of 2019. On the other side, demolition activity is virtually at a standstill owing to shutdowns. Hence, dry bulk fleet is forecasted to be oversupplied till 2021. Thereafter, weak order book and increased demolition activity mean that dry bulk fleet will consolidate and markets will improve.

The total dry bulk tonnage demand is expected to be on growing track for the next few years, after an obvious dip in 2020. The dry bulk seaborne trade is expected to shrink by -1.88% in 2020, while the tonne-mile demand is expected to register a fall of -1.27%.

Global seaborne iron ore trade is set to shrink by -1.65% (forecasted) in 2020. With regard to Non-Coking Coal, India's imports are predicted to reduce marginally, from the levels of 190 million tons in 2019 to a forecast of around 186 million tons for 2020.

India's urea imports stood constant, on the basis of strong demand and steps taken by the government to increase indigenous fertilizer

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production. The country, which is among the world's top three consumers of urea, produces about 24 million tons urea as against the annual domestic demand of about 32 MMT. India imported 4.983 million tons 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 year FY19-20. Seaborne trade (imports) of major grains remained upbeat, recording a rise of 2.3% in the year 2019, with major exporters being European Union, USA, Ukraine, Argentina, Brazil, Russia, Canada and Australia. On demand side, encouraging trends are there with factors such as growing population translating into growing grain demand, increasing demand from Asian and African countries and increase in tonne-miles in the grain trade.

Global steel production is projected to decrease by -1.18% in 2020 with the impact of pandemic. However, sharp recovery is expected in steel production in 2021 in China as well as other developing countries like India and Vietnam. India's steel production has flattened recently, and the ongoing lockdown will weigh on the steel production further. However, the Indian government's push for infrastructure will eventually strengthen demand for steel over the next few quarters.

In the year 2020, it is projected that 169 dry bulk ships will be sold for demolition as against 84 dry bulkers in the previous year. Such high scrapping numbers are mostly because of impending scrubber retrofits, and reduced fleet size is an encouraging sign for future dry bulk market.

In the year 2020, One-year Time Charter rate of Handymax is projected to be US\$ 8,600/-pdpr, whereas for Supramaxes the same is US\$ 9,700/-pdpr. In the Panamax segment, the one-year TC rate in 2020 is forecasted to be US\$ 10,200/-pdpr. In the upcoming years, the freight rate forecasts 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, 2020. The bulk carriers fleet is young with an average age of 8.2 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

Drewry has maintained its 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 2020, still the markets maintained reasonable freight levels. Many countries have offered stimulus and relief packages and analysts are predicting a sharp V-shaped demand recovery. There are a few other encouraging aspects such as high coking coal imports in Asia, Grain trade expanding in Middle East and African countries, strong government supports across the globe for reigniting the trade, which can be deemed as boosts for dry bulk trade. Thus, strategically positioned tonnage will stand to gain backhaul and triangulation benefits to earn good returns.

India's continued push to phase off petcoke has caused a big spike in its coal imports in the recent years. The Indian coal imports are expected to rise in coming year too. This is a welcome development for our dry bulk ships, which are catering to 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 in dry bulk tonnage, both for coastal movements as well as for imports.

Weak order-book and declining new-building activity as well as possibility of more vessels opting for scrubber retrofitting should keep the dry bulk active trading fleet in check and push the markets upwards.

Risks & Concerns

Advent of renewable energy-centric policies and increasing 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 of energy & are actively building 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 in the long term.

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.

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A possible second infection wave of COVID-19 may further weaken the commodities trade, thus pulling the markets further down. US – China trade deal is still not comprehensively concluded, hence there is a lingering risk of trade weakening between the two economic giants. This may further increase the oversupply of tonnage in markets. China's iron ore demand in future may be increasingly met by Australia, since Brazilian mining giant Vale is experiencing difficulties in sustaining its production levels. This could have adversely affected tonne-miles in dry bulk trade.

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 panamax is catering to transportation of three major commodities such as Iron ore, coal and grain, which are prone to be affected by economic slowdowns. View persisting slowdown in these major trades globally the earnings of panamax 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 is delayed scrapping of the vessels (especially older tonnage), on account of temporary spikes in freight rates, which could lead to recurrence of overcapacity situation in the market.

The macro economic factors such as interest rate volatility, subsidies on petroleum products, volatile rupee vis à-vis the dollar and inflation continue to plague the national demand. Shipping being a derived demand will 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 354.7MT in 2019. There has been an increase of 40.9 MT since the end of 2018. This constitutes an increase of approximately 13%, a sixth year of consecutive growth. 50% of the global LNG demand growth upto 2035 is expected to come from Asia. The LNG demand was expected to grow at 3.5% until 2035. However, Global LNG market growth is set to decelerate sharply in 2020 on the back of supply cuts and pandemic-driven demand destruction, this would be phenomenon for 2020. The markets are expected to stabilise by the turn of 2020. There could be a decline of 4% in demand for LNG due to the lockdown and COVID-19

With the increasing thrust on cleaner fuels, the Asian markets have seen rapid increase in the usage of liquified natural gas (LNG). In an indication of increasing demand for natural gas in the country, India's import of Liquefied Natural Gas (LNG) jumped 18 percent to 33,680 Million Standard Cubic Meter (MMSCM) in 2019-2020, as weaker global prices of LNG prompted the local industry to consume more.

Asia continued to be the key destination region for LNG, accounting for 70% of total LNG imports. However, it represented less than 15% of incremental LNG demand, in sharp contrast to the previous three years when it accounted for 90% of growth. In 2019 Japan's and Korea's LNG imports fell by 7% (or over 10 bcm) amidst nuclear restarts, while China's LNG import growth halved in absolute terms (from 21 bcm in 2018 to just above 10 bcm last year) as a consequence of lower economic growth and slowdown of the coal-to-gas switching programmes

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 has exceeded demand by about 40 Mill Tons in 2019. Both Europe and the developing economies in Asia are likely to absorb all the additional supply.

International expansion in Australia, Qatar, Mozambique and Egypt, combined with a continuously strong US shale gas export drive, is pushing down LNG prices further.

A fleet of around 600 ships and 140 on order coupled with weak LNG demand has led to situation of over-supply of LNG ships, increased competition and ever changing market dynamics. LNG buyers tended to sign shorter, smaller and flexible contracts rather than going for long term contracts going beyond 20 years.

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 to about 13 years. And the global contracted volume has more than doubled to 600 million tonnes in 2018. Global proposed liquefaction capacity has reached 904.4 MTPA, with majority in the US Australia and Canada. The global regasification capacity has continued to increase to 821 MTPA by the start of 2020. 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 as niche markets. There are 34 FSRU's worldwide and 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

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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 partner, and has trained its LNG officers on construction and operations of FSRU. The project is expected to be operational by end of 2020. SCI superintendents were posted at Korean shipyard for supervision of FSRU construction.

NTPC Vidyut Vyapar Nigam (NVVN) has released a RFQ for a 50 MW LNG based generation plant in the south Andaman Island, estimated to be operational by mid of 2021. The plant will be operated through Dual Fuel ie. LNG (sourced from FSRU) or HSD (sourced from IOCL). NVVN 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 Andaman & 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 has joined hands with Indian and Overseas partners to form a Consortium which will participate in the RFQ. However due to ensuing lockdown and COVID -19 situation the project is expected to be delayed.

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 has come to an end.

LPG Carriers

Your company's sole VLGC carrier - VLGC Nanda Devi, was employed under spot voyages initially in first half of the financial year and there onwards it was employed with IOCL under a time charter at an attractive rate compared to market levels.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the tanker segment has been largely influenced by 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. The mix of employment types and geographical concentration in niche coastal business segments has ensured returns in line with market. However, with globally weak tanker markets, there was strong competition in coastal & product trades which hampered their earnings to some extent. Internationally, a healthy rise in market fortunes across the company's usual trade routes resulted in very attractive charter rates. Overall, immensely attractive freight levels meant the tankers segment gave a very good performance during the year 2019-20.

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 & at times below break-even levels due to low freight markets, especially in the latter part of the financial year. With relatively few opportunities to capitalize on, the dry bulk segment gave an underwhelming performance financially. However the future forecasts mean there is potential for satisfactory earnings on the back of revived demand.

2 LINER & PASSENGER SERVICES

A Industry Structure & Developments

i) World Scenario:

Over the past two years, the container shipping industry has faced several challenges, starting with the biggest direct hit from the trade war that started in 2018 and which, despite the signing of the Phase One Agreement between the US and China, is not over yet. Adding to the trade war headaches, were higher fuel costs due to the IMO 2020 Sulphur regulation that came into effect on 1 January 2020, and now, the coronavirus is causing volumes to drop. Imports of laden containers to the US West Coast declined in 2019, for the first time since 2011. There has been no visible front-loading of goods in 2019, and with further tariffs having been narrowly avoided in December, it is not expected that any front-loading boost would come in 2020. Rather, expectations are that the trade war, as it currently stands, will continue to drag trade volumes as well as freight rates down. Intra-Asian volumes have remained flat in 2019 compared to 2018 - a worrying trend - as without volume growth here, volumes on the longer haul routes out of Asia are unlikely to grow. Furthermore, global container shipping demand grew by just 1% in the first nine months of the year, a development which sparked a flurry of blanked sailings. At the same time, the fleet has grown by 3.7%. The supply and demand situation is clearly set to be way off-balance. On top of that, we would witness deliveries of many ultra large container ships (ULCS) sending relatively smaller ships onto other routes, known as cascading. These smaller ships are not necessarily very small, however, some cascaded ships have capacities over 10,000 TEU, and will enter trades where there is no appetite for them, adding further pressure to freight rates and bottom lines. The trade multiplier could - in theory - return to healthier levels, bringing good news to shipping, if protectionist measures are rolled back and free trade is once again allowed to develop at its natural pace.

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Container shipping appears likely to be one of the sectors most affected by Covid -19, with global box trade set to be heavily impacted by disruption to the world economy, consumer activity and supply chains. With economic activity experiencing a major “shock”, (worsening) forecasts suggest a deep global recession in Q2 at least, and an immediate negative impact of Covid-19 greater than that of the global financial crisis. The IMF now forecasts global GDP to shrink by -3% in 2020. “Lockdowns” (>40% of the world population in early Q2) have consolidated the impact on consumer activity, and many of the often complex supply chains of which container shipping is part have been heavily disrupted. So it is no surprise that box trade is expected to see a severe impact, including a sharp drop in Q2 volumes. In the potential “bounce-back” scenario, aided by stimulus, a resumption of consumer activity and re-stocking, as the crisis sees an end-point, global growth could return later in 2020. In a ‘weaker case’, knock-on effects from business closures and unemployment could amplify the negative impact. Beyond the crisis, there may be debate about supply chain “de-risking” and regional vs global “trade blocs”. Whatever the case, the box shipping markets are seeing major negative pressure. Though lower fuel costs and a limited order-book (10% of fleet) seem helpful, Covid-19 is the over-riding market driver, and, in the short-term at least, container trade’s exposure appears significant.

The Covid-19 pandemic is currently the primary driver of trends in the containership sector, with the market outlook appearing highly challenging in the short-term. With the world economy, consumer activity and supply chains coming under significant pressure, a sharp contraction in global container trade is expected in Q2 at least. Impacts are being felt worldwide, with global boxship port calls in TEU down 3% y-o-y in April, and down 7% y-o-y in the first half of May, with recent improvements in the Chinese economy being offset by major disruption and economic pressure elsewhere. The level of idle capacity has continued to build, standing at around 11.5% of the fleet by mid-May, up from 10% at start April. On the supply side, the pace of boxship deliveries has been very subdued so far in 2020, with increased ‘slippage’ expected. ‘Lockdowns’ in the Indian Sub-Continent have also significantly reduced recycling activity. Total boxship fleet growth is projected at 2.0% in 2020. The box shipping markets have come under pressure so far in 2020. On the freight market, the SCFI Comprehensive Index stood 16% below the start year level in mid-May, although rates on some routes have stabilized since mid-April. Charter rates continue to be eroded. The base case remains for an eventual ‘bounce back’ in volumes. However, suggestions are growing that some economic impacts from the crisis may be longer-lasting than initially expected, with the timing and strength of recovery subject to uncertainty.

ii) Indian Scenario

While all cargo segments remain vulnerable during the period of lockdown, the impact on the Indian container segment will be more due to its dependence on both domestic economic activity as well as global trade trends. Even before the pandemic, the segment was witnessing moderation due to factors like global economic slowdown, US-China trade issues and other factors. Subsequently once the Covid pandemic happened in China, the sector witnessed additional pressure as the global trade cycle got disrupted. This had resulted in a slowdown in container volumes in India during Q4 FY2020 in March witnessing moderation at several ports, apart from partial impact of the lockdown imposed during the second half of the month. Subsequently, in April the container segment witnessed a steep decline of 37% for the major ports. The global container trade segment had witnessed slowdown in 2019 due to the above-mentioned factors and is expected to witness contraction in the current fiscal due to Covid-19 lockdowns imposed by major economies. The recovery in the segment will be dependent on the extent of the lockdown in major regions and changes in global supply chain patterns during the recovery phase. As such, container volumes in India is expected to witness contraction during Q1 FY2021 and the performance is likely to remain weak during Q2 FY2021, while some recovery is expected during H2 FY2021. However, the impact in H1 FY2021 is expected to result in a full year throughput contraction for the container segment in India. The recovery of essential product segments like agricultural products and healthcare items will be relatively better compared to products like auto components, and engineering items etc., which may have a longer recovery period. Lack of workers has impacted clearing of cargo, stuffing/de-stuffing, and intra-premises logistics at ports. Imports, including direct port delivery, are increasingly being moved to nearby container freight stations (CFS), both by road and rail, to free up yard inventory. Partial waivers for ground rent and detention due to evacuation challenges were extended till May 3. An acute shortage of drivers has, however, impacted long-lead hinterland movement for both imports and exports. In April, the imports at JNPT were about 20% lower, while exports were around 55% lower, on year. Weaker production due to sparingly available manpower, besides transportation and clearance challenges, has further impacted exports. Many liners also skipped calls at JNPT and Mundra, in April, due to congestion and paucity of exports. The situation is expected to improve with gradual resumption in manufacturing, albeit with reduced utilization, and relatively swifter clearance of exports (currently, import clearance is given primacy by customs). Truck availability (industry estimates peg current fleet accessibility at a mere 20-30%) for longer leads will also increase as government controls ease. It is likely that export of essentials such as agricultural products, perishables, and pharmaceuticals will be given priority.

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 customized 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

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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. For SCI's Liner segment, need of the hour is to have adequate owned tonnage and reliance on in-chartered tonnage to the extent of bare minimum as per market dynamics.

The focus of your company's Liner Division has always been to be responsive to the emerging challenges in the industry and adopt the best industry practices and provide its business partners and clientele a safe, reliable and economical shipping services, which is also an integral part of our vision and objectives. Liner Division's operating philosophy makes it imperative to streamline and standardize procedures and information flow to enable optimize asset utilization, speedier and more consistent decision making, and achieve synergy between Commercial, Equipment Control and Operations segments.

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 31.03.2019		Addition		Scrapping		As on 31.03.2020	
	No.	Dwt (MT)	No.	Dwt.	No.	Dwt.	No.	Dwt (MT)
Fully Cellular	2	115598	-	-	-	-	2	115598

Both container vessels namely, MV SCI Chennai and MV SCI Mumbai are 12 yrs old. As on 31.03.2020, 3 in-chartered container vessels having additional tonnage of about 112,000MT are being operated by your Company. In addition to the above owned and in-chartered vessel, your Company also has cargo loading rights on 20 vessels of its partners in various consortia arrangements that your Company has with leading shipping lines, such as Mediterranean Shipping Company (MSC), Shreyas Shipping. 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 63 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-HEX Service.

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

SMILE and PIX2 services seamlessly link up Persian Gulf with East Coast of India and West Coast of India, thereby, strengthening and

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expanding SCI's presence in the Coastal Shipping Sector keeping the historic service standards and schedule integrity with a weekly frequency. 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 / Kakinada / Pradip / Haldia / Kolkata during May 2020 and the Pan India service is now stabilized, thus, promoting GOI initiative 'Sagarmala', thereby, increasing coastal ports connectivity.

iv) 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 cargo from West and East Coast of India (ECI) to Port Blair. It facilitate shipping solutions to the Indian trade and connect Indian Mainland to Andaman & Nicobar Islands. Efforts are being made to include more ECI ports including Kakinada and Paradip to make these services viable.

v) ECX Service

Your Company started one more standalone service in March'19 with 1 in-chartered vessel for providing connectivity for WC / ECI cargoes on Tuticorin / Kattupalli / Krishnapatnam/ Haldia route. However, the in-chartered vessel for this route was not proving to be cost effective and, hence, redelivered to the owners. This route is now being catered-to by the other two in-chartered vessels plying on East Coast of India.

vi) Feeder Operations

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

vii) Slot swap arrangements

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

viii) Break-Bulk Services

SCI arranges carriage of break-bulk 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 organizations, which includes Shipments of Over-Dimensional Cargo (ODC) / Project cargo / Heavy Lift cargo / IMO Class I Cargoes etc. and also containers where SCI services are not present.

ix) 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.

x) 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 31.03.2019			Additions Nos.	Scrap/ Redelivered (Nos.)	As on 31.03.2020		
	Nos.	Pax. Cap.	Cargo Cap. (MT)			Nos.	Pax. Cap.	Cargo Cap. (MT)
Pax-Cum-Cargo	9	5763	4220	0	0	9	5763	4220
Cargo Ships	1		400	0	0	1		400
Other vessels	17 Foreshore & 8 Research	1,601	250	0	0	17 Foreshore & 8 Research	1,601	250
Total	35	7364	4870	0	0	35	7364	4870

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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 along with agents appointed at various ports in India and abroad in order to market its container and break-bulk services to the competitive world. Meetings with the agents are held periodically, and SCI representatives also participate in various trade meets at main 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 cargo-base and the client-base 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) Emphasis on Vision 2030 encapsulating Digitization, working through Online Portals vis-à-vis Service Providers, Single Window Solutions, "Made in India" concept for Inland Waterways smaller ships and barges with an aim of commercialization of National Waterways, etc.

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. (131.31) crores in FY 2019-20 as against loss of Rs (89.60) crores in 2018-19. The Operating Income increased from Rs. 593.62 crores in 2018-19 to Rs. 644.88 crores in 2019-20 due to better utilization of vessels (income includes 'Income booked for managed vessels with higher remuneration). However, negative impact of high bunker costs and blanking off costs on ISE sector resulted in net loss. You may like to note that your Company is adopting various cost saving measures accruing to the

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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. 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. Ultra slow steaming planned / achieved on the container ships. Liner division has already expanded its the 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 feeder 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. CAPEX expansion planned this year for cellular container vessels for Indian Coast and the option is 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. Material Development

SCI is catering to additional ports, like, Kakinada and Paradip on East Coast of India.

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 most of their recommendations are being implemented. E-tendering platform is being extensively used for procurements, which enable transparency and efficiency in procurement processes. Vendor Bills are centrally registered and its Tracking & Monitoring system is implemented to have a better control on settling invoices. The system ensures transparency and efficiency. SCI web site www.shipindia.com is completely revamped with a new look and accessibility. During COVID 19 Lockdown period, Information Technology was used extensively to enable the employees to work from home and the business continuity was ensured in all possible ways.

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.

Till February 2020, the price of Brent Crude ranged between US\$66 ~ 70/barrel and the oil exploration activity had also increased gradually. The offshore industry appeared to be on a path to recovery.

However the twin black swan events - COVID-19 pandemic and crash in the oil prices to below \$30 per barrel by the end of March 2020 can have an impact on the offshore industry in the next year.

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. The country's oil consumption was 213.7 million tonnes in 2019-20 which was marginally higher than 213.2 million tonnes in 2018. In contrast, India's crude oil output fell from 34.2 million tonnes in 2018-19 to 32.2 million tonnes in 2019-20 as per PPAC (Petroleum Planning and Analysis Cell) data. A gradual firming of the charter rates was observed in this year. However, rates are still below breakeven for certain categories of the vessel requirements.

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iii) Outlook

The world economy forecast is to face a severe recession in 2020, declining by 1.5%, following global economic growth of 2.9% in the previous year. As per OPEC, the global demand for oil is also anticipated to fall to 92.82 million barrel/day in 2020 compared to 99.67 million barrel/day in 2019.

This could have a negative impact on the global offshore industry with both the demand and utilization of the assets to fall. Many contracts are expected to be renegotiated or cancelled by the oil companies.

However, India still remains as the focus area for many offshore activities for the entire world. Although there might be a small impact of the fallen crude prices, the same is expected to remain only for a short term period and offshore activities in the Indian market are expected to continue in full swing in the coming year as well, especially considering the rising requirement in the domestic market and the Government's focus on self-sustainability.

iv) 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.

ONGC being the biggest E&P Company in India, your company has been employing majority of its vessels with them on short term / long term basis. However to mitigate the risk of dependence on one client, your company has been in constant discussions with various other public/private operators to deploy our vessels for their offshore activities. This has resulted in your company to increase its clientele as well as gain technological experience in an array of activities being carried out in the offshore segment.

v) Opportunities and Threats

During the period under review the offshore market witnessed gradual improvement in the charter hire rates, thus sparking hopes of better years ahead, especially considering the long span of depressed rates in the market. The young fleet of offshore vessels will definitely help your company take advantage of the offshore market as it grows ahead. The low asset prices also present opportunity for your company to acquire secondhand/ resale vessels at a very competitive price and deploy them in the market for immediate revenues, albeit availability of technically suitable vessels.

At the same time, by the end of the year 2019-20, the crude oil prices dropped significantly, which raises the threat of a negative impact on the E&P activities in the short term. Additionally, many marginal and new players have been taking advantage of the low prices of distressed assets of troubled offshore players and are entering the Indian market, leading to high competition.

vi) Risks and Concerns

Your company was successful in obtaining long term contract of 5 years for one of its PSVs in the competitive tender floated by M/s ONGC. With this, now four offshore vessels of your company are on long term charter. However, remaining six vessels are on spot, which entails the risk of average utilization of assets to be on the lower side considering more operational challenges and loss of employable days during frequent change of charter in spot market for obtaining inspections/clearances. In spite of majority vessels being on spot, your company achieved revenue operating days of about 77% compared to industry average of 60% in Asia-Pacific region.

The impact that the recent covid-19 pandemic would have in the future cannot be ascertained and is a concern. During lockdown periods inspection/ clearances from authorities to work in the oil field are kept on hold, which can result in delay in hiring of vessels. Also extended lockdown periods can result in certain operators to defer their activities resulting in reduced requirement of vessels.

Entry of new players in the Indian market with low capital expenditure is also major concern and challenge for your company. However, your company is making all efforts to ensure continuous employment for the offshore vessels, not only in the Indian waters but also in Foreign waters.

B OFFSHORE ACTIVITIES:

1 Information relating to the year under review viz 01.04.2019 to 31.03.2020:

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 120T BP AHTSV viz. SCI Kundan continued to remain on long term charter with ONGC and 2 MPSVs continued their charter with DRDO. Further, your company was successful in deploying one PSV (SCI Nalanda) on long term charter of 5 years with ONGC, after necessary modifications towards 'ERRV B' compliance. The remaining 2 nos. 80T AHTSVs, 3 nos. 120T AHTSVs and 1 no. PSV were predominantly operating in the spot market/short term charter. With continued efforts, your company has been able to successfully obtain

DIRECTORS' REPORT

business from various reputed national/international/private clients.

2 O&M of ONGC owned vessels

2.1 Offshore Supply Vessels (OSVs) of 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, thus ensuring long term business for your company.

2.2 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.

2.3 Specialized vessels

During the year 2019-20, your company continued the Operation & Maintenance management (O&M) of ONGC's one Diving Support Vessel (DSV) (Samudra Prabha) and one Geotechnical Vessel (GTV) (Samudra Sarvekshak) on nomination basis under 'Cost plus' arrangement. While the existing contract for GTV is valid upto 31.03.2021, the contract for DSV Samudra Prabha was valid till 31.03.2020, subsequent to which extension for one year i.e. till 31.03.2021, is under discussions.

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 DRDO Project

Defence Research & Development Organization (DRDO) had placed its requirement with your company 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, similar to the previous year, during the current year also Indian Navy has continued to avail the services of your company's offshore 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 conducting of trials on the West coast & East coast of India.

4 Technical Services:

4.1 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. During the year under review, your company also provided consultancy service to another Government organization namely M/s. Sardar Sarovar Narmada Nigam Limited (SSNNL) for selection of integrated operator for running passenger ferry vessels at Statue of Unity site, Kevadia, Gujarat. Further, your company is taking efforts to add few more clients in its technical consultancy portfolio.

5 Tonnage Acquisition Programme

During the year under report, your company had envisaged acquisition of secondhand vessels in various segments viz., Crude Oil Carriers, Product Carriers, Container vessels, Gas Carriers and Offshore vessels. However, could not acquire any vessels during the year due to inadequate generation of funds and market dynamics. Informatively, your company has been continuously scanning the market for right assets in the market in relation to the available employment opportunities with due consideration to the Cash flow position of your company and is optimistic in acquisition of vessels at opportune time, taking advantage of low asset prices towards replacement of scrapped tonnage.

6 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 successfully complied with IMO's 0.5% sulphur fuel regulation which came into force from January 2020 and all vessels are being supplied low sulphur fuel oil since 1st January 2020.

Your company has already taken necessary steps to meet IMO's fuel oil data collection system directive, as per IMO directives to report fuel

DIRECTORS' REPORT

oil consumption data from 01st Jan'2019.

Further, 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.

7 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 the 2 Nos. firm and 1 No. optional 2000 Domestic LPG Carriers for UTL Administration which are under construction at M/s Goa Shipyard Limited, your company as the technical consultant has recommended various optional features such as installation of sewage treatment plant, double hull protection to fuel oil tanks, etc. which proves your company's commitment to technology absorption.

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

Your company has also taken initiative to install Ballast Water Treatment Plants on all those vessels which are not fitted with the treatment plants. This exercise will be carried out in a phased manner in order to comply with the IMO regulations.

8 Situation in Coastal operation and Offshore areas

Although ONGC is the largest player in the Indian Offshore sector and is the employer of the largest offshore assets in India, there has also been increase in offshore Exploration and Production (E&P) activities by the private players. This year also saw increase in the E&P activities and consequently firming of the charter hire rates of the offshore assets. The increase in activities was observed in both the West as well as in the East coast of India.

Meantime the advent of the novel corona virus and its rapid spread from mid-March onwards has forced the world into a lockdown situation resulting in temporary halting and deferment of certain offshore activities.

9 Measures taken to improve services and operations

Your company has consistently been taking measures to maintain its ships to the highest standards of performance by effective and planned maintenance of machinery/equipment on board vessels and close monitoring from shore as well. The vessels have been following Condition Based Overhauling system to ensure that they remain technically seaworthy at all times.

Your company has undertaken necessary steps to modify and upgrade its vessels (PSVs) to comply with the new requirements of ONGC tenders as and when they are required.

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

10 Awards and Accolades

10.1 Rescue operation by offshore vessel "SCI Urja":

In a display of courage and commitment towards the society, SCI's offshore vessel, 'm.v. SCI Urja', saved lives of 18 fishermen desperately awaiting assistance for their survival. On 26.10.2019, 'm.v. SCI Urja', provided assistance to distressed trawler "Vaishno Devi Mata", which was half flooded with sea water in the Arabian sea, as the severe tropical storm "KYARR" was passing by and all vessels were experiencing gale force wind and very high/rough seas. 'SCI Urja' towed the distressed craft along with the fishermen to safe location outside the oilfield and handed it over to Naval vessel, thus saving lives of all fishermen.

"SCI Sabarmati" is on long charter with Defence Research & Development Organization (DRDO) for providing support services to their strategic missions of national importance. During the year, Indian Navy hosted the visits of delegations of top executives of Bangladesh Navy and Indonesian Navy on board SCI Sabarmati. The delegation were taken for a deck round and on-site demo of associated equipments. The delegations conveyed their appreciations towards the performance of entire ship staff and the upkeep of the vessel.

MODU "Sagar Vijay" had undergone successful 7th Intermediate Docking Survey at Cochin Shipyard, Kochi in 2019. The dry docking of the vessel was completed within schedule. The entire period of dry docking and previous assignments in field witnessed zero accident. As a token of appreciation, the vessel received "Safety Ship Award 2019" on behalf of owners M/s ONGC.

MODU "Sagar Bhushan"- The vessel and crew received special citation from M/s.ONGC for successful endeavour to hold on the vessel in the midst of Anchor Handling operations while severe cyclone engulfed the area in 2019 monsoon. The valour and dedication of Master and the entire marine crew was appreciated.

DIRECTORS' REPORT

MODU "Sagar Vijay" has been awarded "Best Maintenance Practices Award 2019" in MODU category. The efforts and good work by ship staff with continuous supervision from shore has been rewarded.

10.2 MAHARAJA AGRASEN in Gulf of Oman

On 5th Aug 2019 at 1120 hrs UAE time merchant vessel Spar Capella transmitted May DAY call on VHF Ch 16 for MAN OVERBOARD in position Lat:24 17.5 N// Long: 058 18.20E. She was loaded and on her passage to Suez.

Suez max tanker Maharaja Agrasen, (Shipping Corporation of India) was 8 miles off from the MOB position. As message was received, decision was taken to proceed for search and rescue operation.

Vessel started proceeding with full and safe maneuvering speed towards MOB position with extra lookouts posted from bow to Bridge wings. Meantime other 2 vessel in the vicinity also started proceeding towards the position. Upon reaching on scene, sector search pattern as per IAMSAR Vol. 3 was decided and started. Time lapse of the MOB, current direction and drift was calculated. Also it was asked from vessel Spar Capella that what the colour of the cloths when the survivor had been last sighted onboard. Rescue operation was also supported with the Oman royal air force helicopter.

Search operation was at the limit of its safe operating window with darkness approaching and weather condition hampering the search. After 2 hours of search, other vessels and helicopter left the scene but our vessel Maharaja Agrasen continued for search till window time of daylight.

After 4 hours of time lapse, brave soul was sighted in water by our lookout posted in the forward and it was informed to the bridge. Just after a few seconds, persons on deck could hear sound coming from sea confirming that brave soul is alive and fighting back.

Immediately lifeboat of Maharaja Agrasen was prepared and lowered in water. As lifeboat reached near to survivor, he was picked up from water and taken in boat. Once on board, his clothes were changed and his parameters were checked. After 5 hrs in water fighting bravely for survival, he was found normal and responding to communications.

Authorities were informed and within 10 minutes Oman Royal Air Force helicopter came to Maharaja Agrasen. Survivor was evacuated to shore medical care.

Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the year and till the date of the report:

The novel Corona Virus, which emerged from China, started to spread from the beginning of 2020 bringing the entire world in a synchronized lock down and both advanced and developing economies are grappling with the slowdown that has stemmed from the Covid-19. Although there has been no specific impact of the pandemic on SCI's offshore vessels during the year 2019-20, the future impact is not ascertainable.

The potential of the pandemic is being examined and remedial measures are being taken for the well-being of the employees and the company.

The shore superintendents are continuously monitoring the vessels from home and coordinating with ship staff to operate the vessels with the available limited resources. The vessels have been instructed to use the resources, necessary for operation of vessel, judiciously and optimally to last longer.

Efforts are being made to pursue with key E&P companies/charterers to continue present charter/ contract for earning revenue in order to maintain financial health of the company in the present crisis.

The Offshore industry is primarily a support industry to the offshore oil and gas Exploration and Production (E&P) sector. Its fortunes directly depend on that of the Oil and Gas Industry. The Indian offshore market had shown signs of gradual improvement during the last year, with an upward trend in the charter hire rates. The company was also able to successfully capitalize on the growing activities by achieving an annual asset utilization (revenue operating days) of about 77%.

Although there has been improvement in the charter hire rates, the sudden fall of the crude oil prices and at the same time the effects of the covid-19 pandemic which hit the global markets at the end of the financial year can have a slowing effect in the short / mid-term. The offshore Industry can expect a slight fall in the demand of assets in the short term. Existing contracts may come up for re-negotiations in case of deferment of E&P activities if there persists extended periods of lockdown.

10.3 Other Disclosures

Key initiatives with respect to Stakeholder Relationship, Customer Relationship, Environment Sustainability, Health and Safety.

- A 'Vendor Awareness Meet 2019' was organized at Shipping House, Mumbai on 10th December 2019 to create awareness about e-tendering, GST related issues and Centralized Bill Receiving Cell (CBRC) system. The meet was well attended by vendors from across globe and was interactive with exchange of ideas for mutual growth of both SCI and Vendors.
- Your company had also arranged an awareness presentation for its employees on the "Public Procurement Policy" which provides for 25% procurement of total applicable procurement from MSME vendors and timely payment within 45 days.

DIRECTORS' REPORT

- Also, on 10th July' 2019, your company in co-ordination with the Transparency International India (TII) organized a workshop to bring awareness of transparency and integrity in procurement policies within the organization. The workshop was arranged at the Maritime Training Institute (MTI), Powai and was attended by senior officers of SCI.
- As regards health, safety and environment, measures and guidelines framed by P&A and ISM Department are strictly monitored periodically.

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 recognizing 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.

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 fulfil 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 9001:2015** – Quality Management System, **ISO 14001:2015** – Environmental Management System and **ISO 45001:2018** – Occupational Health and Safety Management System) on board all vessels and shore establishments.

The required certification is valid till **21st December 2021**.

V PERSONNEL AND ADMINISTRATION

A. FLEET PERSONNEL

1. There is an acute shortage of senior Floating Officers, especially in the ranks of 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. However, the shortage continues due to taxation issues.
2. To ensure an uninterrupted supply of officers, deck cadets & TME on completion of their shipboard training and subsequent to their obtaining the certificate of competency, are being offered employment on the terms of INSA-MUI Agreement.
3. NUSI Executive Committee granted recognition and honour to Shipping Corporation of India as the company which has given gainful employment to the highest number of women seafarers on the Merchant Ships. The SCI was recognised on the occasion of the celebration of the annual "NUSI Founder Mohamed Ebrahim Serang Day" on 9th May, 2020.
4. Fleet Personnel department has been 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. The workshop has now been extended to three days which also includes Behavior Based Safety course. Superintendents from ISM Cell, BNT Vetting and Fleet

DIRECTORS' REPORT

Personnel Department conducted the workshop. Workshop is being 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 has been reviewed and a new set of questions and testing pattern has been put in place. The Assessment Program is now fully functional. All Floating Officers, including Masters & Chief Engineer Officers are put through the Assessment prior posting on vessels.
6. An appeal was made to the employees of SCI both shore as well as ship staff and your company's employees have voluntarily contributed one day's wages to relief funds amounting to Rs. 108.69 lakhs to fight the Covid-19 Pandemic. A contribution of Rs. 36.97 Lakhs has also been made towards PM-CARES as part of its Corporate Social Responsibility summing upto Rs. 145.66 Lakhs. The Board records its sincere appreciation to this noble gesture to all the employees of the Corporation.
7. SCI has introduced gender sensitization to all the seafarers joining the vessel. Special briefing is being imparted to all women joining the vessel by nominating lady officers of the Corporation. A special lecture on Gender Sensitization was introduced in Shipboard Orientation Workshop to bring home the point and make Seafarers aware of the Gender Equality. SCI has always supported diversity particularly with regard to women seafarers. Besides giving training to the Women Trainee Officers at discounted rates at its training institute at MTI, all Officers joining the vessels are also being sensitized towards work ethics while dealing with women at work place in line with DGS circular. As part of our internal initiatives to promote inclusive workplace ashore and on-board vessels, SCI has also started counselling all women seafarers with respect to Sexual Harassment at work place prior joining a vessel.
8. The Novel Corona Virus has spread beyond the borders of Wuhan, China and has now engulfed the whole world. Corona virus has already caused many deaths and created panic situation all over the world. Maritime advisory on corona virus received from various organizations have been circulated to our fleet vessels from time to time. Our top most priority is safety of our seafarers. Almost all ports have imposed restrictions in their jurisdictions. With lock-down in many countries and ban on air travel, the crew change is not possible. With limitations and as per DGS SOP, the crew change is being carried out at several Indian ports. There has been no loss of revenue because of the manning issues in view of worldwide pandemic of Covid19. Entire fleet is still maintained Covid free.

B. MARITIME TRAINING INSTITUTE

Your company's Maritime Training Institute (MTI) at Powai has successfully obtained approvals and commenced two new courses in the year 2019, viz. Proficiency in Survival Craft and Rescue Boats (P.S.C.R.B.) and Assessment, Examination and Certification of Seafarers (AECS). In addition, MTI has obtained approval for increased frequency of Basic Safety Training Course (from 24 batches to 48 batches in a year) and Second Mate Functions course (from 3 batches to 6 batches in a year). Presently, four batches of Diploma in Nautical Sciences (DNS) and one batch of Electro Technical Officers (ETO) course at Powai campus are underway. One batch of Graduate Marine Engineering (GME) has been successfully completed at MTI from April 2019 till Jan 2020. Regular Management Development Programs, Technical Seminars for Non-Technical Officers, Finance for non-finance professionals, 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.

Your Company's Training Centre - Maritime Training Institute at Powai, Mumbai has been assigned GRADE A1 (Outstanding) rating by DNV-GL after the inspection as per the Comprehensive Inspection Programme Guidelines of the Director General of Shipping (DGS). The Institute has drastically improved in the external examinations conducted by Indian Maritime University (IMU) where the passing percentage has gone beyond 90 percent in first attempt.

Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has conducted 412 Courses for 6917 participants in FY 2019-20 and the total man-days of training during this year are 87542. These included 66857 man-days for SCI's personnel and 20685 man-days for personnel from other companies. 245 SCI shore personnel were provided 484 man-days of in-house training at MTI. However, courses (pre-sea, competency, and modular) were suspended since 16.03.2020 as per instructions from DGS, IMU, and Government of Maharashtra. Every endeavour is made to ensure that our training institute is self-sustaining, which included Management Development Programs for mid-level and senior level officers, Soft Skill based Workshop for posting officers, finance for non-finance professionals.

Reservation Policy

At MTI, we have followed centre's policy of reservation during the cadet admissions and no deserving candidate has been deprived of such opportunity.

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

Intake	Batch	ST	SC	OBC	GEN
Aug 2019	52 & 53	01	15	29	35
Feb 2020	54 & 55	01	04	30	31
Intake	Batch	ST	SC	OBC	GEN
Apr 2019	GME-08	00	07	15	18

DIRECTORS' REPORT

Information towards major achievement during the year under review i.e. FY 2019-20

Academic Achievements:

- A. SCI-MTI has commenced two new courses in the year 2019-20:
 - **Proficiency in Survival Craft and Rescue Boats (P.S.C.R.B.)**
 - **Assessment, Examinations and Certification of Seafarers (AECS)**
- B. Pass Percentage of SCI-MTI for DNS batches successfully increased to 95% in December 2019 IMU examination for Semester II in comparison to 82% in June 2018 Examination. Pass Percentage for DNS students increased to 92% in December 2019 IMU examinations for Semester I from 75% in December 2018 examinations.
- C. Additional tutorial classes, sessions, lectures and training beyond academia have been provided to participants at SCI-MTI, pertaining to regular academic subjects and others like stress management and yoga.
- D. SCI-MTI organized the first ever batch of Assessment, Examination and Certification of Seafarers (AECS) course in India on behalf of Directorate General of Shipping (DGS).
- E. On the special occasion of 70th Foundation Day of DG Shipping on 03.09.2019, Hon'ble Union Minister of State (Independent Charge) for Shipping and Union Minister of State for Chemical and Fertilizers, Shri. Mansukh L Mandaviya inaugurated Proficiency in Survival Craft and Rescue Boats (PSCRB) course at SCI-Maritime Training Institute, Powai, Mumbai.

Non-Academic Achievements

- A. SCI-MTI became CCTV enabled campus with 24 x 7 CCTV surveillance of all the administrative and residential buildings, including security posts throughout the campus.
- B. SCI-MTI has continued saving on its electricity bills by approx. 30% on monthly basis as its solar power generation capacity reached to 0.5 MW since inauguration in 2018.
- C. 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.
- D. SCI-MTI has significantly improved its tendering process by following online tendering for major tenders and contracts at MTI. Proudly, MTI has reduced the annual financial implications of some major tenders/contracts of the Institute, including catering contract.

Business Development Initiatives

- A. 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.
- B. Institute's course booking office continues to be accessible even on Holidays, Saturdays and Sundays (excluding National Holidays) for attending course booking enquiries and requests.

Others

- A. SCI-MTI hosted the Maritime Quiz competition under National Maritime Day Celebration (NMDC) on 04.04.2019.
- B. SCI-MTI hosted the World Maritime Day 2019 celebrations organized by The National Maritime Day Celebration Committee on 27th September, 2019 where Ms. Ann Ollestad, Consul General, Royal Norwegian Consulate graced the event as Chief Guest.
- C. Your institute has started online classes for the course participants of pre-sea and competency courses to utilize the lockdown period and ensure timely completion of the syllabus prior to their external examinations. Same are being conducted in line with the guidelines of DGS and IMU.

C. SHORE PERSONNEL

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

The total Manpower as on 31.03.2020 is 640 (excluding CVO and Board members), out of which 567 are officers and 73 are staff members. With a view to meet the present and future challenges and be a globally competitive Corporation, a number of capacity development initiatives and employee engagement activities were carried out in the year 2019-20. Various training programmes, both in-house and external have been conducted for the employee for development of their skill sets and domain knowledge. Training like Finance for Non –Finance and Technical for Non-Technical employees have been conducted. During the lockdown period i.e. from March end 2020 to May end 2020 various knowledge sharing sessions, learning sessions were conducted and Standard Operating Procedures have been prepared.

Reservation Policy

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.

DIRECTORS' REPORT

SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2020 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 1.1.2020)				Number of appointments made during the calendar year 2019							
					By Direct Recruitment				By Absorption			
	Total no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13
Executives Group A	573	114	48	92	4	0	0	0	17	4	1	5
Non Executives Group B	57	17	4	3	0	0	0	0	0	0	0	0
Group C	17	5	1	0	0	0	0	0	0	0	0	0
Group D	0	0	0	0	0	0	0	0	0	0	0	0
Total (Executives in Grade 'A' plus Non - executives)	647	136	53	95	4	0	0	0	17	4	1	5

Women Representation

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. Company's efforts are reflected in the representation of women across various hierarchical grades. At present women constitute around 20.54% of total workforce at shore establishments of your company. Company encourages active involvement in the activities of the Forum of Women in Public Sector (WIPS) since its inception. WIPS, APEX under the aegis of SCOPE has appreciated company's efforts by conferring the "Best Enterprise for contribution towards Women's Upliftment (1st Prize)" under Navratna Category.

SCI has been the pioneer in India with regards to recruiting women for jobs on board its fleet. Presently, 2 Masters, 5 Chief Officers, 2 Second Engineers, 31 Second/Third Officers, 6 Third/Fourth Engineers and 2 Nurses are women serving on various types of ships. Other than above, there are 13 Women Trainee Nautical Officers, 4 Woman Trainee Marine Engineers and 7 Woman Trainee Electrical Engineers.

Policy to prevent sexual harassment in workplace

Company promotes gender equality and has been taking proactive measures to prevent any Sexual Harassment at workplace. 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. There were only two complaints which were received related to Sexual Harassment in the year 2019-20, both the complaints were resolved and closed.

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 committee as per the act to coordinate and oversee the implementation of CSR initiatives. The policy is available on company's website www.shipindia.com/csr/csrsbpage/preamble

The budget available for CSR initiatives in the year 2019-2020, as per applicable provisions was Rs. 0.88 Crores. Against the available budget, your company allocated Rs. 0.97 Crores against following initiatives in the year 2019 – 20:

1. Promotion of School Education & Maritime Education –

- Setting up of Mini Science Centre at government schools of Osmanabad, aspirational district in Maharashtra.
- Support for running GAP for holistic development of underprivileged children at Ramakrishna Mission Ashram.
- 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) to encourage and support

DIRECTORS' REPORT

Maritime Education in the country

2. Eradicating Hunger & Malnutrition –

Support to Akshaya Patra Foundation for provision of mid-day meals to 2000 school children.

3. Health Care –

- Support to Cancer patients for surgeries at Bhaktivdanta Hospital, Mira Road, Thane.
- Contribution to PM CARES Fund as support for COVID-19.

Against the allocation of Rs. 0.97 crores, the entire allocation has been utilised.

The details of the CSR initiatives undertaken by the Company during the financial year 2019-20 in the prescribed format are annexed to Directors Report

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 – Nil.

VII. Implementation of Official Language Policy

With a view to comply with the Official Language policy of the Government, your company reiterated its commitment and made constructive efforts to promote and popularize the use 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 Hindi programmes /competitions at a regular interval. Hindi Unicode computer workshops were also held every month to impart practical training to the employees in Hindi typing and translation. To encourage reading Hindi books, a Hindi Book Review Competition for employees was also conducted during the year.

SCI Annual Rajbhasha Award Scheme 2019-20 was formulated and launched in May 2019 so as to create a sense of competition amongst all Divisions/Departments and individual officers with respect to enhancing the use of Hindi in day-to-day correspondence and activities. The Award scheme has two parts, viz. Annual Rajbhasha Shield (at Divisional Level) and Rajbhasha Gaurav Samman (at Individual Level). The Division securing maximum marks on the basis of prescribed parameters will be awarded the "Annual Rajbhasha Shield", whereas the cash awards along with citation of "Rajbhasha Gaurav Samman" will be given away to the employees in top 3 positions under the evaluation process.

Apart from this, your Company continued to encourage the use of Hindi through email correspondence by way of Quarterly Hindi correspondence incentive scheme, under which the eligible employees were rewarded with cash incentives. During Hindi Pakhwara in September 2019, an appeal made by CMD was emailed to all the employees to maximise the use of Hindi in official work.

It is a matter of pleasure that your company's Head Office in Mumbai has been declared as Second prize winner in linguistic region 'B' for its excellent performance in the implementation of Official Language Hindi under the Rajbhasha Shield Scheme of the Ministry of Shipping, for the year 2018-19. It is worthwhile to mention here that your Company had been declared as Second prize winner for the year 2017-18 also. Besides actively involved for encouraging Hindi activities at city level, your Company also attended Town Official Language Implementation Committee (TOLIC) meetings during the year under report.

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 2019-20, your Company continues to support the Micro and Small scale Enterprises (MSEs) by procuring 30.68% of its applicable 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 organized 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 three Group P&I Clubs for your company's fleet for the policy year 2019-20 commencing from 20.02.2019 has been negotiated by your Company. Your Company, after protracted negotiations, was able to obtain a reduction of 1.88 % in the renewal premium over the expiring premium resulting in a net reduction of USD 86,416 towards renewal premium for policy year 2019-20.

Further, your company is glad to inform you that one of the Group P&I Clubs have refunded 10% of the annual premium for the policy year 2018-19 to your company (and other members) in view of their better financial performance.

DIRECTORS' REPORT

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 31.03.2020, your Company has disposed off most of the applications and appeals received from the parties. For the year 2019-20, an Independent Auditor has been appointed to carry out online Transparency Audit of Section 4 which pertains to Suo-moto disclosure under the RTI Act.

XII. 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. The exposure towards Sethusamudram has been fully provided.

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

The MOU for the financial year 2020-21 is under progress. The proposed MOU which has been prepared 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, Sector-Specific Operational Parameters have also been incorporated in the MOU for achieving sustained overall growth as per the DPE requirements. Informatively Pre Negotiation Committee (PNC) Meeting was held on 19.06.2020 on the proposed MOU for financial year 2020-21. SCI's Composite Score for MOU 2018-19 was evaluated by the DPE at 57.38 and SCI was thus graded "Good" for FY2018-19. The MOU performance evaluation report for financial year 2019-20 on the basis of audited accounts will be submitted to DPE after approval of the Board and through the Administrative Ministry on or before 30th September 2020.

XIV. 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 utilised till date as under:

Month & Year	Rs. 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	

DIRECTORS' REPORT

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

XV. 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 2020, which is forming part of the Annual Accounts.

XVI. Internal Control System and Their Adequacy

The Company has an internal control system that is adequate and commensurate with the size, scale and complexity of its operations. Internal financial controls framework and Risk Control Matrix (RCM) for various business processes is in place. The internal control systems (including Internal Financial Controls over Financial Reporting) are reviewed on an ongoing basis and necessary changes are carried out to align with the changing business/statutory requirements.

Internal audit is carried out by an independent firm of Chartered Accountants by M/s Amitray & Co. 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.

XVII. 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. Further, dividend distribution will also be regulated to the extent possible with the applicable guidelines issued in this regard by Government of India. 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; http://shipindia.com/upload/policies/SCI_Dividend_Distribution_Policy1.pdf

XVIII. Role of Vigilance Division in SCI

During the year under review, the Chief Vigilance Officer continued to ensure the integration and monitoring 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. Use of technology in business processes such as e-payments, migration to Supplier Relationship Management platform for procurements; bill tracking system, provision for online registration of complaints via the Vigilance Webpage contained in the SCI website and dissemination of important circulars/guidelines on the webpage has helped in achieving greater transparency and eliminating systemic weaknesses. 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 2019-20

During the year under review, the Vigilance Division continued the activities encompassing the 3 Ps of Vigilance:-

- Preventive Vigilance
- Punitive Vigilance
- Participative Vigilance.

The important activities that were carried out in 2019-20 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.

DIRECTORS' REPORT

- H) The CVO, SCI and officials of Vigilance Division have developed a special vigilance related training module which forms a part of Management Development Programme for various levels of executives to enhance effective and efficient managerial efficiency of participants for better working culture of SCI. Through this module participants are made aware of the rules which enhances the levels of participative and preventive vigilance and helps improve governance standards in the organisation.
- I) The CVO and two officers of Vigilance Division are engaged as guest faculty for imparting training during the various programmes / courses conducted in MTI, Powai.
- J) A compilation of various preventive vigilance measures advised by Vigilance Division was published as a booklet "Initiatives of Preventive Vigilance in SCI" during Vigilance Awareness Week 2019.
- K) 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.
- L) Vigilance Awareness was spread to the public via an interaction of the Chief Vigilance Officer, SCI on AIR FM Rainbow during Vigilance Awareness Week-2019.
- M) 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.

During the period under review, the Vigilance Division had examined 39 complaints (i.e. 2 complaints B/F from previous year + 37 new complaints received during the period). Of these 15 complaints were disposed, 19 complaints were forwarded to other divisions for necessary action leaving 5 balance complaints for complete disposal.

Vigilance Study Circle Mumbai Chapter

The Vigilance Study Circle Mumbai Chapter, started on the initiative of SCI Vigilance Division in 2010, is today a forum of 33 member organizations from varied sectors. The CVO, SCI holds the office of President in VSC - Mumbai. 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.

Taking forward the continual learning and knowledge sharing initiative, following workshops / training sessions were organized by the VSC - Mumbai chapter in 2019 – 20:

1. Workshop on filing Quarterly / Annual Report to CVC on April 05, 2019 conducted by J Vinod Kumar, Director, CVC. Around 70 participants and CVOs from the member organizations attended the presentation.
2. Workshop on "Amendments in PC Act, Lodging of FIR and related issues, implications of latest order on Lookout Circular, Coordination with CBI in fraud cases, Filing of FIR in fraud cases" was organized by VSC – Mumbai on April 23, 2019. The sessions were conducted by senior officials from CBI and banks.
3. A Training on "Masterclass for Directors" for CVOs of VSC-Mumbai was conducted by Institute of Directors (IOD) Mumbai from September 18 to 20, 2019.
4. A 'Walkathon' involving more than 700 personnel was organized by VSC – Mumbai during Vigilance Awareness Week – 2019 to create more awareness on vigilance related activities.
5. A one day training / workshop on topic – "Case studies on Cyber Frauds" was conducted by an Forensic & Integrity expert from E & Y India on December 19, 2019 for the CVOs of VSC - Mumbai.
6. A one day training on "Overview & Regulation of Securities Market and Corporate Governance", was organised by VSC - Mumbai in collaboration with SEBI at National Institute of Securities Market (NISM) on March 13, 2020.

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.

XIX. Cautionary Statement

The statements made in the Management Discussion and Analysis report 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

DIRECTORS' REPORT

materially from those expressed or implied.

XX. Directors and Key Managerial Personnel

Upon completion of tenure of Capt. Anoop Kumar Sharma, Smt. H K Joshi took additional charge as Chairperson and Managing Director of SCI w.e.f 12.09.2019 apart from her regular position of Director (Finance). Thereafter, w.e.f. 19th December 2019 she was appointed by the Government of India as the Chairperson & Managing Director, SCI apart from holding additional charge of Director (Finance). Upon completion of tenure of Shri Shrikant. V Kher on 30.09.2019, Smt H K Joshi also assumed the additional charge of the post of Director (Bulk Carrier & Tanker) w.e.f 01.10.2019. Shri Atul Ubale was appointed as Director (B&T) on the Board of SCI w.e.f 05.12.2019. Shri Pramod Kumar Panda was appointed as Non-Official Part Time (Independent) Director on the Board of SCI with effect from 18.10.2019. Shri Shambhu Singh ceased to be the Director on the Board of SCI w.e.f 28.01.2020 on completion of his tenure. Shri Sanjay Kumar, AS& FA was appointed as non-official Part time Director on the Board of SCI w.e.f 29.01.2020 vice Shri Shambhu Singh. Shri Arun Balakrishnan completed his tenure as Independent Director and ceased to be on the Board of SCI, w.e.f 20.03.2020. Smt. Sangeeta Sharma, retires by rotation and being eligible offers herself for re-appointment in the ensuing AGM in compliance with the provisions of the Companies Act 2013 and Articles of Association of the Company

The Board places on record its sincere appreciation for the valuable services rendered by Capt. Anoop Kumar Sharma, Shri Shrikant V Kher, Shri Shambhu Singh and Shri Arun Balakrishnan as Directors during their tenure in the Corporation.

As on date Smt. H.K. Joshi, CMD & CEO and also holding Addl.charge of Director (Finance), Shri Lawrence Serrao, CFO and Shri Dipankar Haldar, Company Secretary are the Key Managerial Personnel of the Company.

XXI. 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.

XXII. Composition and Meeting of the Board and its Committee

The Board and its various Committees are constituted in terms of requirements of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details in respect of the number of Board and Committee meetings of your Company are set out in the Corporate Governance Report, which forms part of the Annual Report.

XXIII. Performance Evaluation of Board, Committee and Directors

In accordance with applicable provisions of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the evaluation of the Board as a whole, Committees and all the Directors was conducted, as per the internally designed evaluation process approved by the Board.

XXIV. Secretarial Standard

The Company complied with all the applicable Secretarial Standards.

XXV. Auditors Report

The Statutory Auditors have given an unqualified report on the Financial Statements of the Company for the Financial Year 2019-20. 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 2020.

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) System for Monitoring and Clearing of Vendor Accounts (Including Agent Prefunding) should be done on timely basis.

Management Reply

- a) The company has formed a Centralized Team and implemented an end to end process towards monitoring of the Vendor Payables, including the branch offices. Such team follows up from respective departments /regional offices thus accelerating the process of clearing the Vendor accounts. Efforts are also made by the respective divisions to expedite the approvals of FDAs.

During the financial year 2019-20, there has not been any fraud reported by the Statutory Auditors of the Company.

XXVII. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial personnel) Rules,

DIRECTORS' REPORT

2014, the Board had appointed Mr. Upendra C Shukla, Practicing Company Secretary to conduct Secretarial Audit for the Financial Years 2017-2018 and 2018-19. SCI could not complete the process for appointment of new PCS for the Financial Year 2019-20. Therefore, the term of contract of existing PCS has been extended on the same terms & conditions by invoking enabling clause of the earlier agreement for a period of six months ending 30th September, 2020 to conduct secretarial audit for the financial year 2019-20. The Secretarial Audit report for the financial year 2019-20 is appended to the Directors' Report. The Secretarial Auditor in his report for the year ended 31st March, 2020 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 from 1st April, 2019 to 30th September, 2019 and from 20th March, 2020 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, CA Mavjibhai B Sorathia and Shri Pramod Panda. SCI is following up with The Ministry of Shipping for appointment of required number of Independent Directors.

XXVII. Corporate Governance

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

XXVIII. Business Responsibility Report

Your Company has been conducting business from an Environment, Social and Governance perspective that not only delivers long term shareholder value but also benefits the society. The Business Responsibility Report as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms an integral part of this Annual 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, 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 Honourable Minister of State for Shipping Shri Mansukhlal Mandaviya (Independent charge) and Minister of State for Chemicals and Fertilizers, and look forward to his support and guidance in managing the affairs of the Company. Your Directors also extend their gratitude to erstwhile Secretary Shipping, Shri Gopal Krishna and Dr. Sanjeev Ranjan, current Secretary (Shipping) Ministry of Shipping for guidance.

Your Directors also wish to express their thanks to the officials in the Ministry of Shipping for the unstinted support given by them in various

DIRECTORS' REPORT

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, other stakeholders and valued customers for the continued patronage extended by them to your Company.

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

For and on behalf of the Board of Directors

Place : Mumbai

Mrs H.K. Joshi

Dated: 7th August, 2020

Chairperson & Managing Director & Director (Finance) Addl.charge



REPORT ON CORPORATE SOCIAL RESPONSIBILITY 2019-20

1	<p>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.</p>	<p>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 2019-2020 were in the following broad areas :</p> <ol style="list-style-type: none"> 1) Promotion of School Education & Maritime Education 2) Eradicating Hunger & Malnutrition 3) Health Care <p>Weblink http://www.shipindia.com/csr/csrrpage/overview</p>
2	<p>The Composition of the CSR Committee</p>	<p>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:</p> <p><u>Tier I Committee:</u> C&MD (Chairperson of the committee) Two Independent Director's Director (P&A) - Ex officio member & Convener of the committee One Functional Director - Member</p> <p><u>Tier II Committee:</u> GM (P&A) – Ex officio Nodal Officer DGM (P - CSR) - Ex officio member 2 Officials from Personnel & Administration Division.</p>
3	<p>Average net profit of the company for last three financial years.</p>	<p>₹ 43.77 Crores</p>
4	<p>Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)</p>	<p>₹ 0.88 crores</p>
5	<p>Details of CSR spent during the financial year</p>	<p>(a) Total amount to be spent for the financial year: Rs.0.88 Crores (b) Total amount spent for the financial year : Rs.0.88 crores of CSR allocation of FY 2019-2020, an unspent amount of Rs. 9.55 lakhs (Rs. 2.68 Lakhs from CSR allocation of FY 2017-18 + Rs.6.87 Lakhs from CSR allocation of FY 2018-19) C/F from the previous years to the CSR Budget of FY 2019-2020, thus increasing the CSR allocation for year to Rs.97.55 lakhs which was allocated for undertaken below mentioned 6 projects. (c) Amount unspent, if any: Nil (d) Manner in which the amount spent during the financial year is detailed below:</p>

REPORT ON CORPORATE SOCIAL RESPONSIBILITY 2019-20

"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
Setting up of Mini Science Centre at government schools	School Education	Osmanabad (aspirational district)	1,529,100.00	1,529,100.00	1,529,100.00	Seva Sahayog Foundation
Support for running GAP for holistic development of underprivileged children at Ramakrishna Mission Asharam	School Education	"Sargachhi, Murshidabad, West Bengal"	691,000.00	691,000.00	691,000.00	Ramakrishna Mission
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"	4,400,000.00	4,400,000.00	4,400,000.00	IIT's/IMU's
Provision for Mid Day Meal for 2000 school children	Eradicating Hunger & Malnutrition	Gujrat/UP	2,200,000.00	2,200,000.00	2,200,000.00	Akshaya Patra Foundation
Support to Cancer patients for surgeries at Bhaktivedanta Hospital	Healthcare	Thane, Maharashtra	860,081.00	860,081.00	860,081.00	Sri Chaitanya Sewa Trust
Contribution to PM CARES Fund	National Fund/ Healthcare	NA	750,00.00	750,00.00	750,00.00	Direct
Total			9,755,181.00	9,755,181.00	9,755,181.00	

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: NA

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 2019-20 which are in compliance with the objectives and CSR Policy of the Company.

Sd/-	Sd/-
(Chief Executive Officer or Managing Director or Director)	(Chairperson 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, 2020

The Directors present the Business Responsibility Report of the Company for the Financial Year ended on 31st March 2020, 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	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	50120
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) :	₹ 4,66,839 Lakhs
3.	Total profit after taxes (INR) :	₹ 30,235 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :	₹ 88 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 2019-20 are as follows: a. Promotion of School Education & Maritime Education b. Eradicating Hunger & Malnutrition c. Promotion of Preventive Health Care

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes-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 31.03.2020, 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

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

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 / Dr. Soma Tandon (w.e.f 01.04.2020)
3.	Designation	GM (P&A) / DGM(P)
4.	Telephone number	022-2277 2652 / 022-22772625
5.	e-mail id	sashikala.charles@sci.co.in / soma.tandon@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, the policy is signed by C&MD.								
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 >> Interface>> Investor>> Disclosure under Listing Regulation>>BRR Policy.								
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 all the stakeholders.								
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 Relationship 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.								

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

(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									
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)									

Not Applicable

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 is a part of Annual Report published every year. The policy is also available for viewing on the website of the company. The path is as follows: http://www.shipindia.com >> Interface>> Investor>> Disclosure under Listing Regulation>>BRR Policy.

Section E: Principle-wise performance

Principle 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.
- 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 01.04.2019	0	0	1	7
2	Complaints received during the year	3	0	13	50
	1 st Qtr	1	0	3	6
	2 nd Qtr	1	0	1	10
	3 rd Qtr	0	0	5	18
	4 th Qtr	1	0	4	16
3	Complaints disposed of during the year	3	0	6	47
4	Complaints remaining unresolved at the end of the year 31.03.2020	0	0	8	10

Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - The company has adopted latest technologies on its ships to improve environmental sustainability by:

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

- i. Reducing NOx&SOx emissions from its ships to improve air quality & reduce carbon footprint. Company has successfully complied with IMO's 0.5% sulphur fuel regulation which came into force from January 2020 and all vessels are being supplied low sulphur fuel oil since 1st January 2020.
- 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. Most of our vessels comply Green Passport or equivalent notation which requires inventory of hazardous materials to be maintained onboard and statement of compliance issued by recognised organization for same, which will be useful while recycling/handling of hazardous materials.
- vii. Ballast Water Treatment Plants are being installed on vessels in a phased manner in order to comply with the IMO regulations.
- viii. Vessels have Ship Energy Efficiency Management Plan (SEEMP) onboard which reduce Sox& CO2 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 sourcing/production/distribution achieved since the previous year throughout the value chain.
 - An increase in saving of fuel consumption by about 1% by cleaning of vessels hull regularly – conservation of natural resources.
 - Reduction of onboard Garbage Generation by 2% from previous year – conservation of natural resources
 - Reduction of sludge generation onboard by 1% of fuel consumption onboard from previous year – conservation of natural resources.
 - II. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
 - NIL.
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 0.5% for other areas, as per the prevailing IMO regulations effective from 01.01.2020.
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 and encourage Make in India. During the financial year 2019-20, the procurement from MSME vendors is about 30.68%, 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.
 - Ensuring minimum local content for shipbuilding / ship repair items as per MoS notification SY-24015/2/2018-SBR(332405) dated 31.8.2018 and recommending for increase in minimum percentage of local content for existing items. Also further recommending addition of few other items in the list for which enough local market /manufacturers exist in order to support the 'Make in India' initiative of the Government
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. Even the sludge remaining on ships has been disposed through Port Authorities for recycling/recrystallizing.

Principle 3

1. Please indicate the Total number of employees

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

- 646 as on 31.03.2020
- 2. Please indicate the Total number of employees hired on temporary / contractual / casual basis
 - 21 as on 31.03.2020
- 3. Please indicate the Number of permanent women employees
 - 135 as on 31.03.2020
- 4. Please indicate the Number of permanent employees with disabilities
 - 10 as on 31.03.2020
- 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.
- 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	2	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 : 74.60%
 - Permanent Women Employees : 86.30%
 - Casual/Temporary/Contractual Employees : NIL
 - Employees with Disabilities : 10%

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.
 - NIL.

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 01.04.2019	0	0	1	7
2	Complaints received during the year	3	0	13	50
	1 st Qtr	1	0	3	6
	2 nd Qtr	1	0	1	10
	3 rd Qtr	0	0	5	18

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

Sr. No.	Particulars	No. of Investor Complaints	No. of Customer Complaints	No. of Employee Complaints	No. of Other Complaints
	4 th Qtr	1	0	4	16
3	Complaints disposed of during the year	3	0	6	47
4	Complaints remaining unresolved at the end of the year 31.03.2020	0	0	8	10

Principle 6

- 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.
- 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 has successfully complied with IMO's 0.5% sulphur fuel regulation which came into force from January 2020 and all vessels are being supplied low sulphur fuel oil since 1st January 2020. Company has also taken initiative to install Ballast Water Treatment Plants on all those vessels which are not fitted with the treatment plants. This exercise will be carried out in a phased manner in order to comply with the IMO regulations 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.
- Does the company identify and assess potential environmental risks? Y/N
 - Yes.
- 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?
 - NIL
- Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc./N. If yes, please give hyperlink for web page etc.
 - Yes.
Company has successfully complied with IMO's 0.5% sulphur fuel regulation which came into force from January 2020 and all vessels are being supplied low sulphur fuel oil since 1st January 2020.
- 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.
- 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

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - Bombay Chambers of Commerce & Industry (BCCI)
 - Association of Multi-modal Transport Operators of India (AMTOI)
 - Indian National Ship Owner's Association (INSA)
 - Federation of Indian Chambers of Commerce & Industry (FICCI)
 - Confederation of Indian Industry (CII)
 - Baltic & International Maritime Council (BIMCO)
 - Standing Conference of Public Enterprises (SCOPE)

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

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 SCT are:

A. Promotion of School Education & Maritime Education
Setting up Mini Science Centre at government schools of Osmanabad (aspirational district in Maharashtra)
Support for running GAP for holistic development of underprivileged children at Ramakrishna Mission Ashram
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)
B. Eradicating Hunger & Malnutrition
Provision of Mid-Day meals for 2000 school children.
C. Promoting Preventive Health Care
Support to Cancer patients for surgeries at Bhakti Vedanta Hospital, Mira Road, Thane.
Contribution to PM CARES Fund for COVID19 support.

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 self and with active support & collaboration with 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 undertaken?
 - Rs. 88 Lakhs (2019-20)

The projects have been mentioned Under Principal No.8 point 1 which are re-iterated below:

A. Promotion of School Education & Maritime Education
Setting up Mini Science Centre at government schools of Osmanabad (aspirational district in Maharashtra)
Support for running GAP for holistic development of underprivileged children at Ramakrishna Mission Asharam
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)
B. Eradicating Hunger & Malnutrition
Provision of Mid-Day meals for 2000 school children.
C. Promoting Preventive Health Care
Support to Cancer patients for surgeries at Bhaktivedanta Hospital, Mira Road, Thane.
Contribution to PM CARES Fund for COVID19 support.

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 endeavour 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)

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

- 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 behaviour 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 analysed 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 31.03.2020

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 & Share Transfer Agent, if any.	M/s. Bigshare Services Pvt Ltd 1 st 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

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

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 01/04/2019				No. of Shares held at the end of the year 31/03/2020				% 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	2059685	0	2059685	0.44	2508849	0	2508849	0.54	0.10
b) Banks / FI	6153109	0	6153109	1.32	6721370	0	6721370	1.44	0.12
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	68052095	0	68052095	14.61	60656193	0	60656193	13.02	(1.59)
g) FIs	3309720	0	3309720	0.71	2711701	0	2711701	0.58	(0.13)
h) Foreign Portfolio - Corp.	7451281	0	7451281	1.60	8024688	0	8024688	1.72	0.12
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



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Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(1):-	87025890	0	87025890	18.68	80622801	0	80622801	17.31	(1.37)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14976100	13700	14989800	3.22	5801844	13700	5815544	1.25	(1.97)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	42589555	20769	42610324	9.15	42178353	13169	42191522	9.06	(0.09)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	16113170	143150	16256320	3.49	21425884	113000	21538884	4.62	1.13
c) Others (specify)									
Non Resident Indians	3520326	324100	3844426	0.83	3002982	324100	3327082	0.72	(0.11)
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	51223	0	51223	0.01	2203	0	2203	0.00	(0.01)
Trusts	271732	0	271732	0.06	308871	0	308871	0.07	0.01
HUF	0	0	0	0.00	3640677	0	3640677	0.78	0.78
Clearing Member	3573582	0	3573582	0.77	11184093	0	11184093	2.40	1.63
IEPF	232736	0	232736	0.05	224356	0	224356	0.05	0.00
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	81328424	501719	81830143	17.57	87769263	463969	88233232	18.94	1.37
Total Public Shareholding (B) = (B)(1) + (B)(2)	168354314	501719	168856033	36.25	168392064	463969	168856033	36.25	0.00
TOTAL (A) + (B)	465297291	501719	465799010	100.00	465335041	463969	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

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Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (C):-	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A) + (B) + (C)	465297291	501719	465799010	100.00	465335041	463969	465799010	100.00	0.00

ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% 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	0.00
	Total	296942977	63.75	0.00	296942977	63.75	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 (01-04-2019 to 31-03-2020)		
		No. of Shares at the beginning (01.04.2019) / end of year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company	
1.	LIFE INSURANCE CORPORATION OF INDIA - ULIF004200910LICEND + GRW512	55473797	11.91	01/04/2019	NA	NA	55473797	11.91	
				05/04/2019	561827			54911970	11.79
				12/04/2019	2687862			52224108	11.21
				19/04/2019	1370150			50853958	10.92
				03/05/2019	69671			50784287	10.90
				10/05/2019	153589			50630698	10.87
				17/05/2019	143561		Sell	50487137	10.84
				24/05/2019	1178642			49308495	10.59
				31/05/2019	160968			49147527	10.55
				14/06/2019	266833			48880694	10.49
				21/06/2019	536151			48344543	10.38
				28/06/2019	266648			48077895	10.32
2.	MARWADI SHARES AND FINANCE LIMITED	48077895	10.32	31/03/2020					
		5217842	1.12	01/04/2019	NA	NA	5217842	1.12	
				05/04/2019	997285	Sell	4220557	0.91	
				12/04/2019	1008609	Sell	3211948	0.69	
		19/04/2019	40695	Buy	3252643	0.70			



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Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01.04.2019) / end of year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				26/04/2019	57158	Sell	3195485	0.69
				03/05/2019	627	Sell	3194858	0.69
				10/05/2019	2100	Sell	3192758	0.69
				17/05/2019	3976	Buy	3196734	0.69
				24/05/2019	3028	Buy	3199762	0.69
				31/05/2019	12050	Buy	3211812	0.69
				07/06/2019	19420	Sell	3192392	0.69
				14/06/2019	24355	Sell	3168037	0.68
				21/06/2019	653647	Sell	2514390	0.54
				28/06/2019	531429	Sell	1982961	0.43
				05/07/2019	3433	Sell	1979528	0.43
				12/07/2019	13952	Sell	1965576	0.42
				19/07/2019	1625862	Sell	339714	0.07
				26/07/2019	2012081	Buy	2351795	0.50
				02/08/2019	2850	Buy	2354645	0.51
				09/08/2019	9034	Sell	2345611	0.50
				16/08/2019	1980534	Sell	365077	0.08
				23/08/2019	1829	Buy	366906	0.08
				30/08/2019	6855	Buy	373761	0.08
				06/09/2019	4377470	Buy	4751231	1.02
				13/09/2019	4353114	Sell	398117	0.09
				17/09/2019	37276	Sell	360841	0.08
				18/09/2019	745731	Buy	1106572	0.24
				20/09/2019	984765	Sell	121807	0.03
				25/09/2019	43072	Sell	78735	0.02
				27/09/2019	33454	Buy	112189	0.02
				30/09/2019	84093	Buy	196282	0.04
				04/10/2019	99058	Sell	97224	0.02
				11/10/2019	65848	Sell	31376	0.01
				18/10/2019	37174	Buy	68550	0.01
				25/10/2019	31197	Sell	37353	0.01
				01/11/2019	55452	Buy	92805	0.02
				08/11/2019	512167	Buy	604972	0.13
				15/11/2019	32546	Buy	637518	0.14
				22/11/2019	899369	Buy	1536887	0.33
				29/11/2019	124463	Buy	1661350	0.36
				06/12/2019	450790	Sell	1210560	0.26
				13/12/2019	217391	Buy	1427951	0.31
				20/12/2019	220525	Sell	1207426	0.26

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Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01.04.2019) / end of year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				27/12/2019	86276	Sell	1121150	0.24
				31/12/2019	1001430	Buy	2122580	0.46
				03/01/2020	974923	Sell	1147657	0.25
				10/01/2020	169141	Buy	1316798	0.28
				17/01/2020	226477	Sell	1090321	0.23
				24/01/2020	3941	Buy	1094262	0.23
				31/01/2020	154298	Buy	1248560	0.27
				07/02/2020	178946	Buy	1427506	0.31
				14/02/2020	7238	Buy	1434744	0.31
				21/02/2020	117093	Buy	1551837	0.33
				28/02/2020	78902	Sell	1472935	0.32
				06/03/2020	1430653	Buy	2903588	0.62
				13/03/2020	1023202	Buy	3926790	0.84
				20/03/2020	3532452	Buy	7459242	1.60
				27/03/2020	118435	Sell	7340807	1.58
				31/03/2020	347366	Buy	7688173	1.65
		7688173	1.65	31/03/2020				
3.	THE NEW INDIA ASSURANCE COMPANY LIMITED	4958095	1.06	01/04/2019	NA	NA	4958095	1.06
		4958095	1.06	31/03/2020				
4.	GENERAL INSURANCE CORPORATION OF INDIA	4000000	0.86	01/04/2019	NA	NA	4000000	0.86
		4000000	0.86	31/03/2020				
5.	ICICI PRUDENTIAL VALUE FUND -SERIES 19	2053079	0.44	01/04/2019	NA	NA	2053079	0.44
				17/05/2019	170	Buy	2053249	0.44
				24/05/2019	85	Buy	2053334	0.44
				21/06/2019	550828	Buy	2604162	0.56
				28/06/2019	396199	Buy	3000361	0.64
				05/07/2019	86	Buy	3000447	0.64
				26/07/2019	86	Buy	3000533	0.64
				16/08/2019	86	Buy	3000619	0.64
				23/08/2019	92	Buy	3000711	0.64
				30/08/2019	86	Buy	3000797	0.64
				25/09/2019	145	Buy	3000942	0.64
				30/09/2019	85	Buy	3001027	0.64
				04/10/2019	299915	Sell	2701112	0.58
				11/10/2019	85	Buy	2701197	0.58
				18/10/2019	13	Buy	2701210	0.58
				25/10/2019	85	Buy	2701295	0.58



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Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01.04.2019) / end of year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				01/11/2019	2	Buy	2701297	0.58
				22/11/2019	199915	Sell	2501382	0.54
				27/12/2019	67	Buy	2501449	0.54
				10/01/2020	85	Buy	2501534	0.54
				31/01/2020	85	Buy	2501619	0.54
				07/02/2020	85	Buy	2501704	0.54
				14/02/2020	43	Buy	2501747	0.54
				06/03/2020	215	Buy	2501962	0.54
				20/03/2020	129	Buy	2502091	0.54
				27/03/2020	172	Buy	2502263	0.54
				31/03/2020	86	Buy	2502349	0.54
		2502349	0.54	31/03/2020				
6.	JUDE MAGIMA	800000	0.17	01/04/2019	NA	NA	800000	0.17
				12/04/2019	272000	Buy	1072000	0.23
				19/04/2019	371211	Buy	1443211	0.31
				26/04/2019	523587	Buy	1966798	0.42
				03/05/2019	86092	Buy	2052890	0.44
				10/05/2019	204475	Buy	2257365	0.48
				17/09/2019	100000	Sell	2157365	0.46
				25/09/2019	157365	Sell	2000000	0.43
		2000000	0.43	31/03/2020				
7.	NATIONAL INSURANCE COMPANY	1991333	0.43	01/04/2019	NA	NA	1991333	0.43
		1991333	0.43	31/03/2020				
8.	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY SMALLER COMPANIES	0	0.00	01/04/2019	NA	NA	0	0.00
				11/10/2019	767277	Buy	767277	0.16
				18/10/2019	525665	Buy	1292942	0.28
				01/11/2019	1292942	Sell	0	0.00
				13/03/2020	136596	Buy	136596	0.03
				20/03/2020	1174679	Buy	1311275	0.28
				27/03/2020	603818	Buy	1915093	0.41
		1915093	0.41	31/03/2020				
9.	PUNJAB NATIONAL BANK	1906153	0.41	01/04/2019	NA	NA	1906153	0.41
		1906153	0.41	31/03/2020				
10.	CENTRAL BANK OF INDIA	1726153	0.37	01/04/2019	NA	NA	1726153	0.37
		1726153	0.37	31/03/2020				
11.	DIMENSIONAL EMERGING MARKETS VALUE FUND	1499009	0.32	01/04/2019	NA	NA	1499009	0.32
				12/04/2019	20204	Buy	1519213	0.33
				27/09/2019	30122	Sell	1489091	0.32
				30/09/2019	74958	Sell	1414133	0.30

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Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01.04.2019) / end of year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				15/11/2019	49983	Sell	1364150	0.29
				22/11/2019	91341	Sell	1272809	0.27
				13/12/2019	31287	Sell	1241522	0.27
		1241522	0.27	31/03/2020				
12.	ISSL SETTLEMENT AND TRANSACTION SERVICES LIMITED	2000000	0.43	01/04/2019	NA	NA	2000000	0.43
				26/07/2019	2000000	Sell	0	0.00
		0	0.00	31/03/2020				
13.	IL AND FS SECURITIES SERVICES LIMITED	1540663	0.33	01/04/2019	NA	NA	1540663	0.33
				05/04/2019	1262031	Sell	278632	0.06
				05/04/2019	1330	Buy	279962	0.06
				12/04/2019	17920	Sell	262042	0.06
				10/05/2019	10171	Sell	251871	0.05
				24/05/2019	4195	Sell	247676	0.05
				31/05/2019	1070	Sell	246606	0.05
				07/06/2019	53164	Sell	193442	0.04
				14/06/2019	15296	Sell	178146	0.04
				21/06/2019	166508	Sell	11638	0.00
				28/06/2019	2120	Sell	9518	0.00
				12/07/2019	3000	Sell	6518	0.00
				19/07/2019	6518	Sell	0	0.00
		0	0.00	31/03/2020				

(v) Shareholding of Directors & KMP:

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

V : INDEBTEDNESS

(₹ in lakhs)

Indebtedness of the Company including interest outstanding / accrued but not due for payment					
		Secured Loans excluding deposits *	Unsecured Loans**	Deposits	Total Indebtedness
Indebtedness at the beginning 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	3,419.90	518.84	-	3,938.74
Total (i + ii + iii)		2,99,787.90	2,31,895.84	-	5,31,683.74
Change in Indebtedness during the financial year					
	Addition	-	1,62,672.77	-	1,62,672.77
	Reduction***	78,842.03	1,38,884.97	-	2,17,727.00
Net Change		(78,842.03)	23,787.80	-	(55,054.23)
Indebtedness at the end of the financial year					
i)	Principal Amount	2,18,937.00	2,55,182.00	-	4,74,119.00
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2,008.86	501.65	-	2,510.51
Total (i + ii + iii)		2,20,945.86	2,55,683.65	-	4,76,629.51

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* 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.

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
		Capt Anoop Kumar Sharma *	Smt H.K. Joshi	Shri Shrikant Kher **	Shri Rajesh Sood	Smt. Sangeeta Sharma	Shri Surinder Pal Singh Jaggi	Shri Atul Ubale ***	
1	Gross Salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	26,33,089	47,98,153	38,78,599	43,74,695	46,53,715	36,44,385	12,01,457	2,51,84,093
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	7,18,009	4,00,780	30,319	3,45,476	3,93,396	2,42,464	76,682	22,07,126
	(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 - (Canteen Coupons & Contribution of PF	3,45,281	4,96,196	7,81,911	3,90,234	3,52,443	4,90,325	2,66,298	31,22,688
	Total (A)	36,96,379	56,95,129	46,90,829	51,10,405	53,99,554	43,77,174	15,44,437	3,05,13,907
	Ceiling as per the Act	-	-	-	-	-	-	-	-

*Capt. Anoop Kumar Sharma ceased to be on the Board of SCI w.e.f 11th September 2019

**Shri S. V. Kher superannuated on 30th September 2019

***Shri Atul Ubale has been holding the post of Director (B&T) w.e.f. 5th December 2019

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 remuneration	Others, please specify	Total
i. INDEPENDENT DIRECTORS					
1.	Shri Arun Balakrishnan*	1,60,000	-	-	1,60,000
2.	Dr. Gautam Sinha	2,00,000	-	-	2,00,000
3.	Dr. Kanagasabapathi P.	3,20,000	-	-	3,20,000

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Sl. No.	Name of Directors	Particulars of Remuneration			
		Fee for attending board/committee meetings	Commission and/or any other remuneration	Others, please specify	Total
4.	Shri Raj Kishore Tewari	2,80,000	-	-	2,80,000
5.	CA MavjibhaiB Sorathia	2,80,000	-	-	2,80,000
6.	Shri Vijay TulshiramjiJadhao	1,80,000	-	-	1,80,000
7.	Shri Pramod Kumar Panda**	60,000	-	-	60,000
TOTAL (B1)					14,80,000
ii. OTHER NON-EXECUTIVE DIRECTORS					
8	Shri Shambhu Singh	-	-	-	-
9.	Shri Sanjay Kumar	-	-	-	-
10.	Shri Satinder Pal Singh	-	-	-	-
TOTAL (B2)					-
GRAND TOTAL (A+B1+B2)					3,19,93,907

*Shri Arun Balakrishnan ceased to be on the Board with effect from 20.03.2020

**Shri Pramod Kumar Panda had been inducted on the Board with effect from 18.10.2019.

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	
		Capt. Anoop Kumar Sharma	Smt. H.K. Joshi (w.e.f. 19th December 2019 to 31st March 2020)	Smt. H.K. Joshi (1st April 2019 to 18th December 2019)	Shri L C Serrao (w.e.f. 5th Feb 2020 to 31st March 2020)	Shri Dipankar Haldar	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	26,33,089	13,63,410	34,34,743	6,66,605	38,22,996	1,19,20,843
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	7,18,009	1,13,883	2,86,897	23,978	2,70,653	14,13,420
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-		-		-	-
2	Stock option	-		-		-	-
3	Sweat Equity	-		-		-	-

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Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO		CFO		Company Secretary	
		Capt. Anoop Kumar Sharma	Smt. H.K. Joshi (w.e.f. 19th December 2019 to 31st March 2020)	Smt. H.K. Joshi (1st April 2019 to 18th December 2019)	Shri L C Serrao (w.e.f. 5th Feb 2020 to 31st March 2020)	Shri Dipankar Halder	
4	Commission						
	as % of Profit	-		-		-	-
	others (specify)	-		-		-	-
5	Others, please specify-(Canteen Coupons & Contribution of PF)	3,45,281	1,40,996	3,55,200	5,234	5,09,898	13,56,609
	Total	36,96,379	16,18,289	40,76,840	6,95,817	46,03,547	1,46,90,872

Notes:

- Capt. Anoop Kumar Sharma was holding the position of CEO till 11th September 2019 for which he does not receive any separate remuneration. He ceased to be on the Board of SCI w.e.f 11th September 2019. The above-mentioned components of his remuneration are the same as declared under Para VI(A) above.
- Smt H K Joshi was holding the position of Director (Finance) i.e., CFO till 18th December 2019 and also holding additional charge of Chairperson and Managing Director i.e., CEO for the period 12th September 2019 to 18th December 2019 for which she does not receive any separate remuneration. Smt H K Joshi is holding the position of Chairperson and Managing Director i.e, CEO w.e.f 19th December 2019 and also holding additional charge of Director (Finance) w.e.f. 19th December 2019 for which she does not receive any separate remuneration. In view of above, her remuneration for the period 1st April 2019 to 18th December 2019 is presented in above table under heading "CFO" and for the period 19th December 2019 to 31st March 2020 is shown in above table under heading "CEO". The above-mentioned components of her remuneration are the same as declared under Para VI(A) above.
- The Board of Directors of the Company at their meeting held on 04.02.2020 has appointed Shri. Lawrence Cajetan Serrao as Chief Financial Officer (CFO) of the Company w.e.f. 05.02.2020. Shri Lawrence Cajetan Serrao is holding the position of CFO w.e.f. 05.02.2020 for which he does not receive any separate remuneration.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

SCI has received letter communication from National Stock Exchange of India Ltd. And from Bombay Stock Exchange Ltd, levying penalty for non-compliance of the provisions of Reg. 34 (1) of SEBI (LODR) Regulations, 2015 for not filing Annual Report to Stock Exchange within the time. Based on the representation made by the Company, both the Stock Exchanges have thereafter withdrawn this allegation and refunded/adjusted the penalty which was levied.

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	31.03.2020
3.	Reporting Currency	INR
4.	Share capital	5
5.	Reserves & surplus	-9.68
6.	Total assets	5.46
7.	Total Liabilities	10.14
8.	Investments	0
9.	Turnover	0
10.	Profit before taxation	-0.082
11.	Provision for taxation	0
12.	Profit after taxation	-0.082
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 2020. 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) Pvt Ltd.	Irano Hind Shipping Company Ltd.	SAIL SCI Shipping Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2020	31.03.2020	31.03.2020	31.12.2019	20.03.2018	31.03.2019
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) Pvt 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)	11644	11541	-3556	8303	-8046	6
7. Profit / (-) Loss for the year (₹ in lakhs)*						
i. Considered in consolidation	1962	1949	-1707	1210	NA	NA
ii. Not considered in consolidation	NA	NA	NA	NA	-696	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 and on behalf of the Board of Directors,

**For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W**

**For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048**

**Mr. Dipankar Halder
ED (LA & Company Secretary)**

**Mr. L. C. Serrao
Chief Financial Officer**

**CA G Sankar
Partner
Membership No. 046050**

**CA Hemant J. Bhatt
Partner
Membership No. 036834**

**Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755**

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020

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, 2020 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, 2020 are as follows:

Name of the related party	Nature of relationship	Duration of contracts/ arrangements/ 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	497	12.12.2008	No advances
				Interest on SHL*	161	06.05.2001	
				SHL provided/ (repaid by JV)	(510)		
				Guarantees given during the Year	-		
				TOTAL	148		
ILT No. 2 Ltd.	Joint Venture Company	till 2028	Based on transfer pricing guidelines	Management & Accounting fee	497	12.12.2008	No advances
				Interest on SHL*	152	06.05.2001	
				SHL provided/ (repaid by JV)	(481)		
				Guarantees given during the Year	1,813		
				TOTAL	1,981		
ILT No. 3 Ltd.	Joint Venture Company	till 2034	Based on transfer pricing guidelines	Management & Accounting fee	537	24.09.2012	No advances
				Interest on SHL*	1,019	24.09.2012	
				SHL provided/ (repaid by JV)	1,060		
				Guarantees given during the Year	-		
				TOTAL	2,616		
ILT No. 4 Pvt. Ltd.	Joint Venture Company	till 2035	Based on transfer pricing guidelines	Management & Accounting fee	386	28.03.2014	No advances
				Interest on SHL*	32	13.11.2013	
				SHL provided/ (repaid by JV)	33		
				Guarantees given during the Year	-		
				TOTAL	451		

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

For and on behalf of the Board of Directors

Mrs. H. K. Joshi,

Chairperson & Managing Director & Director (Finance) Addl.charge

DIN - 07085755

Mumbai

Date : 7th August 2020



FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST March, 2020

[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, 2020 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, 2020 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).
 - (d) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

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

FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

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, 2019 to 30th September, 2019 and 21st March, 2020 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.*
- *According to Company, though it complied with the provisions of Regulation 34 (1) of the SEBI (LODR) Regulations, 2015, which relates to simultaneous submission of Annual Report to the Exchanges, the Company received the notice from both the Stock Exchanges i.e. NSE and BSE, expressing their views that there was non-compliance by the Company. In this regard, the Company had made representation with the said Stock Exchanges and SEBI. Based on the representation both these Stock Exchanges have withdrawn this allegation and refunded/adjusted the penalty.*

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, 2019 to 30th September, 2019 and 21st March, 2020 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.
- *According to the Company though it had complied with the provisions of Clause 34 (1) of SEBI (LODR) Regulations, 2015, which relates to simultaneous submission of Annual Report to the Stock Exchanges, the Company received the notice from both the Stock Exchanges. However, based on the representation made before the BSE/NSE and SEBI, both these Stock Exchanges have withdrawn this allegation and refunded/adjusted the penalty.*

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.

UDIN: F002727B000369161

Place: Mumbai

Date: 23/06/2020

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

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 REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

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.

Place: Mumbai
Date: 23/06/2020

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/GP: 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as 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 Chairperson & 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 13 members with a mix of 5 executive Directors (including Chairperson & 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. None of the Board of Directors of the SCI is related inter-se.

Upon completion of tenure of Capt. Anoop Kumar Sharma, Smt. H K Joshi took additional charge as Chairperson and Managing Director of SCI w.e.f 12.09.2019 apart from her regular position of Director (Finance). Thereafter, w.e.f 19th December, 2019 she was appointed by the Government of India as the Chairperson & Managing Director, SCI apart from holding additional charge of Director (Finance). Upon completion of tenure of Shri Shrikant V Kher on 30.09.2019, Smt H. K. Joshi also assumed the additional charge of the post of Director (Bulk Carrier & Tanker) w.e.f 01.10.2019. Smt H K Joshi assumed additional charge of the post of Director (Finance) with effect from 19.12.2019 for periods of 3 months vide Ministry communication dated 26.12.2019. The Ministry of Shipping informed vide Order dated 26.12.2019 that Smt. H.K. Joshi, will continue to hold the additional charge of the post of Director (Finance), for a further period of 3 (three) months w.e.f. 19.03.2020. Further, on 11.06.2020, the Ministry of Shipping informed that in continuation of Ministry's Office Order dated 16.04.2019 Smt. H.K.Joshi, will continue to hold the additional charge of the post of the Director (Finance), for a further period of 3 (three) months w.e.f. 19.06.2020 or until further orders, whichever is earlier.

Shri Atul Ubale was appointed on the Board of SCI as Director (B&T) on 11.11.2019 which was regularized from 05.12.2019 on his obtaining DIN.

Shri Shambhu Singh, a Part Time Official Nominee Director has ceased to be on the Board of SCI with effect from 28.01.2020. Subsequently, Shri Sanjay Kumar, Additional Secretary & Financial Advisor (Shipping), was appointed as Part time Official Nominee Director on the Board of SCI with effect from 29.01.2020.

Shri Pramod Kumar Panda has been appointed as Non-Official Part Time Independent Director on the Board of SCI with effect from 18.10.2019. Shri Arun Balakrishnan who was re-appointed as Non-Official Part Time (Independent) Director, ceased to be Director on the Board of SCI with effect from 20.03.2020.

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, 2020 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
			Membership/ Chairpersonship
Executive Directors (Whole-Time)			
Smt H K Joshi	Chairperson & Managing Director & Director (Finance) Addl.charge	Inland & Coastal Shipping Ltd. – Non-Executive Director#	Nil

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Name	Designation	No. of Directorships, category of Directorships and Committee Membership / Chairpersonship in other public limited companies	
		Directorship & Category of Directorship	**Committee
			Membership/ Chairpersonship
Smt Sangeeta Sharma	Director (Liner & Passenger Services)	Sethusamudram Corporation Ltd - Non-Executive Director#	NIL
Shri Rajesh Sood	Director (Technical & Offshore Services)		NIL
Shri Surinder Pal Singh Jaggi	Director (Personnel & Administration)		NIL
Shri Atul Ubale@	Director (Bulk Carrier and Tanker)		NIL
Non-Executive Directors (Part-Time Ex-Officio)			
Shri Sanjay Kumar	Additional Secretary & Financial Advisor (Shipping)		NIL
Shri Satinder Pal Singh	Joint Secretary (Shipping)	Sagarmala Development Co Ltd - Government Nominee Director	Membership: Audit Committee
Non-Executive Directors (Part-Time Independent)			
Shri Raj Kishore Tewari	Independent Director	Mahanagar Gas Ltd - Independent Director	Chairpersonship: 1) Audit committee 2) Stakeholders' Relationship Committee.
Dr Gautam Sinha	Independent Director		NIL
Dr. P. Kanagasabapathi			
Shri Vijay Tulshiramji Jadhao			
CA Mavjibhai B Sorathia			
Shri Pramod Kumar Panda@@			

**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 regulation membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies has been considered.

#Nominated by SCI

@Vide letter dated 11.11.2019 the Ministry of Shipping informed that, Shri Atul Ubale was appointed as Director (B&T) on the Board of SCI. Shri Atul Ubale had been appointed as Additional Director on the Board of SCI under section 161 of the Companies Act, 2013 w.e.f 05.12.2019 i.e the date of obtaining his DIN till the forthcoming Annual General Meeting.

@@Vide letter dated 18.10.2019, the Ministry of Shipping informed that, Shri. Pramod Kumar Panda was appointed as Independent Director on the Board of SCI. Shri. Pramod Kumar Panda was 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 18.10.2019 till the forthcoming Annual General Meeting.

Board Meetings / Annual General Meeting

During the financial year 2019-2020, five (5) Board Meetings were held, the dates being, 28.05.2019, 09.08.2019, 06.11.2019, 04.02.2020 and 13.03.2020. The details about attendance of the Directors at the Board Meetings and at the 69th Annual General Meeting (AGM) held on 25.09.2019 are given below:

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Name of the Director	No. of Meetings		Attendance at the last AGM held on 25.09.2019
	Held during the tenure of Directors	Attended	
Smt. H.K. Joshi*	5	5	Yes
Capt. Anoop Kumar Sharma*	2	2	NA
Shri. Shambhu Singh*	3	1	NA
Shri. Sanjay Kumar*	2	0	NA
Shri Satinder Pal Singh	5	3	NA
Smt. Sangeeta Sharma	5	4	Yes
Shri. Rajesh Sood	5	5	Yes
Shri. Shrikant V.Kher*	2	2	Yes
Shri. Surinder Pal Singh Jaggi	5	5	Yes
Shri. Atul Ubale*	2	2	NA
Shri. Arun Balakrishnan*	4	3	NA
Dr. Gautam Sinha	5	4	Yes
Shri. Raj Kishore Tewari	5	5	Yes
Dr. P Kanagasabapathi	5	5	NA
CA Mavjibhai B Sorathia	5	5	Yes
Shri. Vijay Tulshiramji Jadhao	5	5	NA
Shri. Pramod Kumar Panda*	3	2	NA

*The changes taken place in the constitution of the Board of Directors of SCI during the FY 2019-2020 are as follows:-

Name of the Director	Date of Appointment	Date of Cessation	Reason for cessation
Capt. Anoop Kumar Sharma	-	11.09.2019	Completion of Tenure
Smt H K Joshi	12.09.2019	18.12.2019	Additional Charge of CMD
Shri S V Kher	-	30.09.2019	Completion of Tenure
Smt H K Joshi	01.10.2019	04.12.2019	Additional Charge of D(B&T)
Shri Pramod Kumar Panda	18.10.2019	-	-
Shri. Atul Ubale	05.12.2019	-	-
Smt. H. K Joshi	19.12.2019	-	-
Smt. H. K Joshi	19.12.2019	18.03.2020	Additional Charge of D(Finance)
Smt. H. K Joshi	19.03.2020	18.06.2020	Additional Charge of D(Finance)
Smt. H. K Joshi	19.06.2020	-	Extension of Additional Charge of D(Finance)
Shri Shambhu Singh	03.05.2018	28.01.2020	Completion of Tenure
Shri Sanjay Kumar	29.01.2020	-	Nominated by the Ministry of Shipping
Shri Arun Balakrishnan	21.03.2019	20.03.2020	Completion of Tenure

INDEPENDENT DIRECTORS:

As provided under Schedule IV of the Companies Act, 2013 and also as per Regulation 25 (6) of the SEBI (LODR) Regulations, 2015, separate meetings of Independent Directors were held on March 13, 2020 and May 29, 2020.

It is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the Management. SCI being a Government Company, all the Directors on the Board of SCI are appointed by Ministry of Shipping, Government of India. No Independent Director has resigned before the expiry of their term during the FY 2019-2020.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

DETAILS OF FAMILIARISATION PROGRAMME:

In the wake of COVID-19 outbreak in the country and the Government advisory against large public gatherings, Orientation Programme for Capacity Building of Directors of CPSEs scheduled on 19th -20th March 2020 at Scope, New Delhi and on 21st March 2020 at DPE, New Delhi for newly appointed directors on the Board of Company were postponed till further notice. The details of familiarisation programme imparted to Independent Directors are 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	Smt H K Joshi	Over 36 years of rich and diverse experience in handling all facets of Corporate Finance, Financial accounting, Financial Management, Project Appraisal in the Oil & Gas sector and in Shipping. International experience in commercial negotiations, Contract Management and Joint Ventures. Strength of Audit Compliances and Corporate Governance. She is Fellow member of The Institute of Cost Accountants of India and also Member of The Institute of Directors (IOD).
2	Shri Sanjay Kumar	Member of Indian Administrative Services. Held various senior positions as Joint Secretary (Institutions), Department of School Education & Literacy, Ministry of Human Resource Development, Government of India, New Delhi. Wide experience in the field of administration. Handled senior positions in both Central and State Government in diverse fields like Finance, Industries and Commerce, conduct of elections, district administration, economic policies and school education.
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 Sangeeta Sharma	Over 34 years of experience in all facets of shipping services especially in liner commercial operations, project management and personnel management, strategic planning and contract negotiations.
5	Shri Rajesh Sood	Over 35 years of experience in various segments of Maritime field including ship building, ship acquisition, technical operations and allied services.
6	Shri Surinder Pal Singh Jaggi	Over 37 years of experience of developing and implementing key HR processes, 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. Also, worked in the field of Public Relations, Business Excellence, Administration and Liaison.
7	Shri Atul Ubale	Over 30 years of vast experience in various facets of core shipping activities, O&M Off Shore Contracts, indigenising Indian offshore industry, Ship acquisition/ shipbuilding contracts for augmenting Indian tonnage in Technical & Offshore Services. Chartering & Commercial operations of Bulk Carriers & Tankers, besides serving in SCI's overseas office in UK and SCI's Joint Venture Company in Tehran. Expertise in Chartering & Commercial operations.
8	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.
9	Dr Gautam Sinha	More than 25 years of experience in Steel and Engineering industry followed by 18 years of academic experience at IIT & IIM.
10	Dr P Kanagasabapathi	More than 32 years of experience in academic field and involved in studies w.r.t. Indian Economics & Business System.
11	Shri Vijay Tulshiramji Jadhao	More than 32 years of experience as business consultant in corporate sector. Has a core competency in agricultural sector.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Sr No	Name	Skills/ Expertise/ Competence
12	CA Mavjibhai B Sorathia	Over 33 years of experience as a Practicing Chartered Accountant.
13	Shri Pramod Kumar Panda	Vast and Extensive experience in Reserve Bank of India (RBI)'s onsite supervision and off-site monitoring of commercial banks. He also specializes in financial regulation, banking supervision and capacity building financial inclusion. Deep technical knowledge and understanding of internal controls, risk management including fraud risk management and corporate governance. He has rich experience, both at global and national levels in designing and delivering high quality and innovative capacity building programs. He is associated with the Centre for Advanced Financial Research and Learning (CAFRAL)'s.

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 Companies Act 2013 and the SEBI (LODR) Regulations, 2015.

Audit Committee

The Committee was reconstituted on 16.05.2019, subsequent to cessation of directorship of Shri Arun Balakrishnan on 21.03.2019, by Resolution passed through Circulation with Dr. P. Kanagasabapathi as Chairman with Director (Bulk & Tanker) and CA Mavjibhai B Sorathia as its members. On re-appointment of Shri Arun Balakrishnan on the Board of SCI w.e.f 21.03.2019 the Committee was again reconstituted by the Board in their meeting held on 09.08.2019 with CA Mavjibhai B Sorathia as Chairman and Director (Bulk & Tanker), Dr. P. Kanagasabapathi and Shri Arun Balakrishnan as its members. Subsequent to completion of tenure of Shri Arun Balakrishnan with effect from 21.03.2020, the Audit Committee was again reconstituted by Resolution passed through Circulation where Shri Pramod Kumar Panda, Independent Director was inducted as a member in place of Shri Arun Balakrishnan.

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 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 28.05.2019, 09.08.2019, 06.11.2019, 04.02.2020 and 13.03.2020 during the Financial Year 2019-2020. 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
CA Mavjibhai B Sorathia	5	5
Shri S V Kher as D(B&T)	2	2
Dr. P. Kanagasabapathi	5	5
Shri Arun Balakrishnan	3	2
Smt H K Joshi as D(B&T)	1	1
Shri Atul Ubale as D(B&T)	2	2

Nomination and Remuneration Committee

Consequent upon cessation of directorship of Shri Arun Balakrishnan on 21.03.2019, the Board again reconstituted the Committee on 16.05.2019 by Resolution passed through Circulation with Dr. Gautam Sinha as Chairman and Shri Satinder Pal Singh, Shri Vijay Tulshiramji Jadhao and CA Mavjibhai B Sorathia as its members. The terms of reference of Nomination and Remuneration Committee are to take care of

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Compliances under Section 178 of Companies Act, 2013 and clause 5.1 of the DPE guidelines on Corporate Governance for CPSEs, 2010 and Part D of Schedule II of SEBI (LODR) Regulations 2015.

The remuneration of Whole - time Functional Directors and other officers is fixed by the Ministry of Shipping, Government of India in view of the fact that, SCI is a Government Company as per Section 2(45) of the Companies Act, 2013.

During the Financial Year 2019-20, the meetings of Nomination and Remuneration Committee were held on 28.05.2019, 04.02.2020 and 13.03.2020.

Name of the Director	No. of Meetings	
	Held during the tenure of Directors	Attended
Dr. Gautam Sinha	3	2
Shri Satinder Pal Singh	3	1
CA Mavjibhai B Sorathia	3	3
Shri Vijay Tulshiramji Jadhao	3	3

Corporate Social Responsibility Committee

On 25.04.2018, the committee was reconstituted with C&MD as Chairperson 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 on 21.03.2019, the committee was again reconstituted on 16.05.2019 by Resolution passed through Circulation with the continuing members.

During the Financial Year 2019-2020, the committee meetings were held on 09.08.2019, 06.11.2019 and 04.02.2020.

Share Transfer Committee

This Committee of the Board comprising of Chairperson & Managing Director and Two 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/issue of Duplicate Share Certificate, the Share Transfer Committee held their meetings promptly to effect the transfers. The Share Transfer Committee Meetings of the Board were held on 15.04.2019 and 16.12.2019 during the Financial Year 2019-20.

Stakeholders' Relationship Committee

The Committee comprised of Shri Raj Kishore Tewari as Chairman and Dr. Gautam Sinha, Dr. P. Kanagasabapathi and Director (Liner & Passenger Services) as its members. The Stakeholders' Relationship Committee Meeting was held on 06.11.2019. The terms of reference of Stakeholders' Relationship Committee are to take care of compliances under Section 178 of Companies Act, 2013 and Part D of Schedule II of SEBI (LODR) Regulations 2015.

Grievances & their redressals: During the year under review, all the complaints were resolved. The complaints have been replied/sorted out within stipulated time as per SEBI Regulations. 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 01.04.2019	Received during the year	Redressed during the year	Pending as on 31.03.2020
SEBI	NIL	1	1	NIL
Stock Exchanges	NIL	1	1	NIL
Other	NIL	1	1	NIL
Total	NIL	3	3	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 Halder, Executive Director(Legal Affairs) and Company Secretary, and can be contacted at:

“Shipping House”
245, Madame Cama Road
Nariman Point,
Mumbai – 400 021.

Tel: 2277 2213
2202 4572
Fax: 2202 2906
E-mail: dipankar.haldar@sci.co.in

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

As per Regulation 21 of the SEBI (LODR) Regulations, 2015 and amendments thereon, Top 500 Listed entities based on Market Capitalisation as at the end of the immediate previous financial year shall constitute a Risk Management Committee. Consequently, the said provisions are also applicable to SCI. However, regular meetings were held at Management level to review the risk registers which were thereafter put up to the Board. In the Board meeting held on 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. In September 2019, Director (Finance) on being elevated as Chairperson and Managing Director has nominated Chief Financial Officer as a member in the Risk Management Committee with effect from 01.11.2019 to represent Finance Division. Subsequently the meeting of the Risk Management Committee was held on 17.03.2020.

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. In the Risk Management Committee Meeting held on 17.03.2020, the Business Continuity Plan (BCP) was also devised to mitigate risks due to outbreak of Covid-19 Pandemic.

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 seven (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 the FY 2010-11 to the IEPF Authority on 12.04.2018 and 21.11.2018, respectively. The shares relating 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 → Interface → Investors → Unclaimed Shares/ Dividend. The Company has made all the transfers required to be made as per Act in the FY 2018-19 and there are no pending transfers to be made in FY 2019-2020

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
67th AGM (FY 2016-17)	26.09.2017, 15.30hrs	Registered Office of the Company, Mumbai	No
68th AGM (FY 2017-18)	25.09.2018, 15.30 hrs		No
69th AGM (FY 2018-19)	25.09.2019, 15.30 hrs		Yes*

*At the 69th Annual General Meeting which was held on September 25, 2019 one resolution was passed for Re-appointment of Shri Arun Balakrishnan (DIN: 0130241) as an Independent Director with effect from March 21, 2019 on the Board of SCI.

Means of Communication

Publishing of Financial Results

The Unaudited Financial Results and Audited Annual Financial Results of the Company are published quarterly and yearly respectively in the newspapers and are also made available on the Company's website. Results for the FY 2019-2020 were published in the following newspapers:

Newspaper Publications	Cities
a. Financial Express	Mumbai, Ahmedabad, Delhi, Kolkata, Hyderabad, Chennai, Bengaluru, Pune, Chandigarh, Lucknow, Kochi
b. Jansatta	Kolkata, Chandigarh, Delhi, Lucknow
c. Loksatta	Mumbai

Financial results and official news released are displayed on www.shipindia.com

No presentation was made to Institutional Investors or to the Analysts during the FY 2019-2020.

Management Discussion and Analysis is a part of Annual Report.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

General Shareholder Information

Annual General Meeting Date, Time & Venue: Friday, September 18, 2020 at 03:30 PM IST through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).				
Financial Year	01.04.2019 to 31.03.2020			
Book Closure Dates	Friday, September 11, 2020 to Friday, September 18, 2020			
Dividend	<p>The Board has recommended Dividend of Re.0.75/- per equity share of Rs.10/- each out of the free reserves of the Company for consideration of the Members at the ensuing Annual General Meeting. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, September 10, 2020 i.e. the date prior to the commencement of book closure, will be paid the Dividend for the financial year ended 31st March, 2020, as recommended by the Board, if approved at the AGM.</p> <p>If the Dividend, as recommended by the Board of Directors, is declared by the shareholders at the AGM, payment of such Dividend subject to deduction of tax at source (TDS) will be made within 30 days from the date of declaration in AGM.</p>			
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, 5 th 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 2020-21 to the aforesaid Stock Exchanges with in the stipulated time.				
WEBSITE - The SCI official website www.shipindia.com provides a separate section for investors where relevant information for shareholders is kept available.				
Demat-ISIN Number – INE 109 A 01011				
Address for Correspondence / Registrar and Share Transfer Agents				
Shareholders' correspondences should be addressed to the Company's Share Transfer Agents at their following addresses: - M/s. Bigshare Services Pvt Ltd, 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059, Maharashtra. Tel: 022 6263 8200, Fax : 022 62638299, Email ID: investor@bigshareonline.com , Website: www.bigshareonline.com				
Share Transfer System				
The Processing of share transfer are done by the Registrar and Share Transfer Agents and approved by the Share Transfer Committee of the Company. There are no pending share transfer requests as on 31st March 2020.				
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 2020, 99.90% of the paid-up equity share capital, representing 46,53,35,041 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				

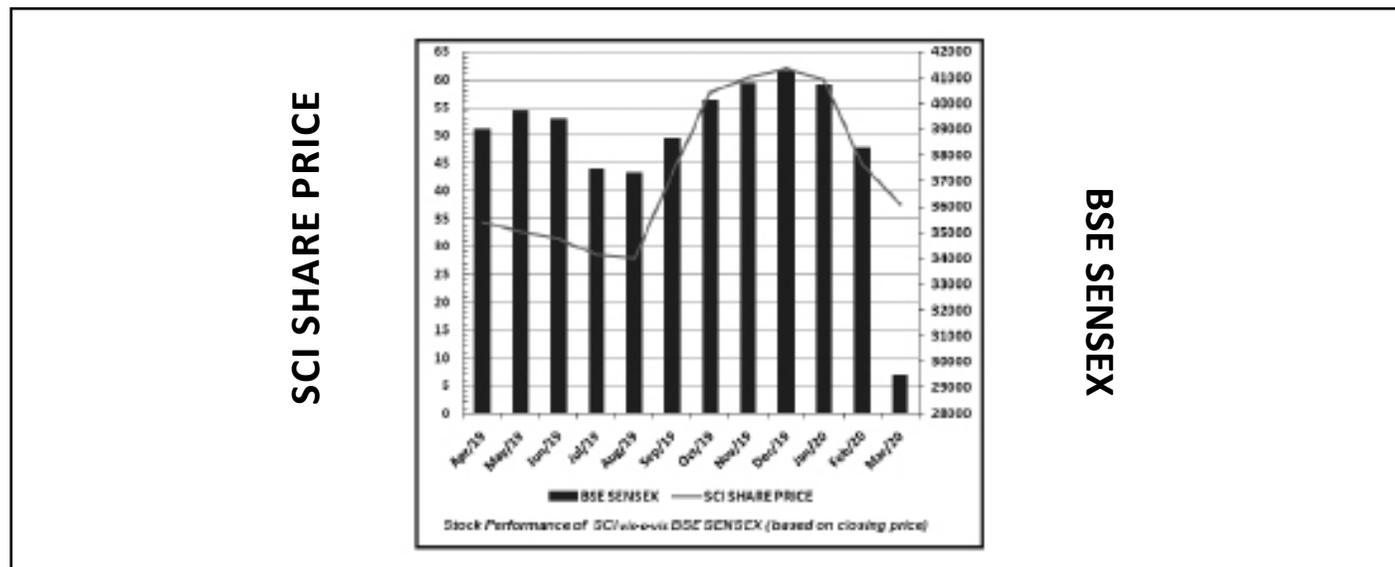
STOCK PERFORMANCE ON BSE DURING THE FINANCIAL YEAR 2019-2020.

Month	Share Price on BSE		SCI's Closing Price on BSE(₹)	BSE Sensex
	High (₹)	Low (₹)		
April 2019	38.70	34.20	34.45	39031.55
May 2019	36.00	30.50	32.75	39714.20
June 2019	33.60	28.50	31.35	39394.64
July 2019	34.85	28.10	28.60	37481.12

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Month	Share Price on BSE		SCI's Closing Price on BSE(₹)	BSE Sensex
	High (₹)	Low (₹)		
August 2019	28.85	24.85	27.90	37332.79
September 2019	44.90	27.40	43.20	38667.33
October 2019	64.00	38.20	57.75	40129.05
November 2019	69.80	55.65	60.45	40793.81
December 2019	65.90	56.15	62.00	41253.74
January 2020	64.50	58.15	59.95	40723.49
February 2020	64.00	44.15	44.95	38297.29
March 2020	48.75	31.65	37.55	29468.49

Graph showing the SCI share price movement vis-a-vis BSE SENSEX based on the above data:

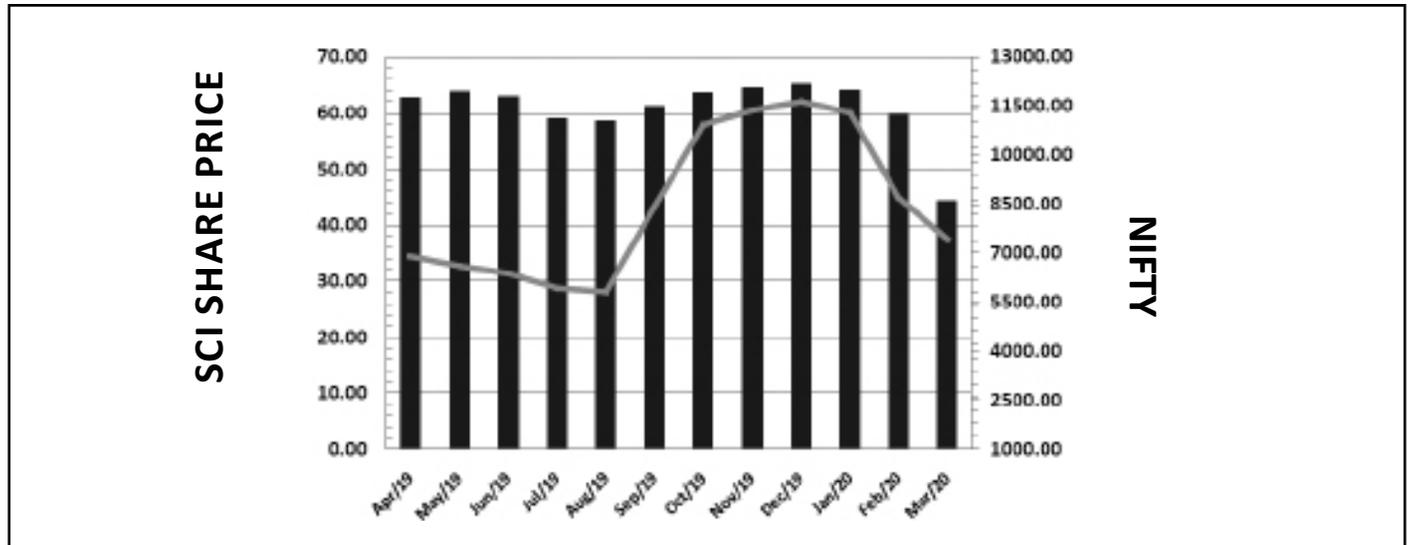


STOCK PERFORMANCE ON NSE DURING THE FINANCIAL YEAR 2019-2020

Month	Share Price on NSE		SCI's Closing Price on NSE(₹)	NIFTY
	High (₹)	Low (₹)		
April 2019	38.70	34.10	34.40	11748.15
May 2019	35.90	30.75	32.70	11922.80
June 2019	33.60	28.45	31.30	11788.85
July 2019	34.90	28.10	28.70	11118.00
August 2019	28.90	24.80	28.00	11023.25
September 2019	44.65	27.45	43.25	11474.45
October 2019	64.00	38.15	57.75	11877.45
November 2019	69.70	55.60	60.50	12056.05
December 2019	65.95	56.25	62.00	12168.45
January 2020	64.40	58.00	59.95	11962.10
February 2020	64.00	44.10	45.00	11201.75
March 2020	48.90	31.50	37.50	8597.75

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

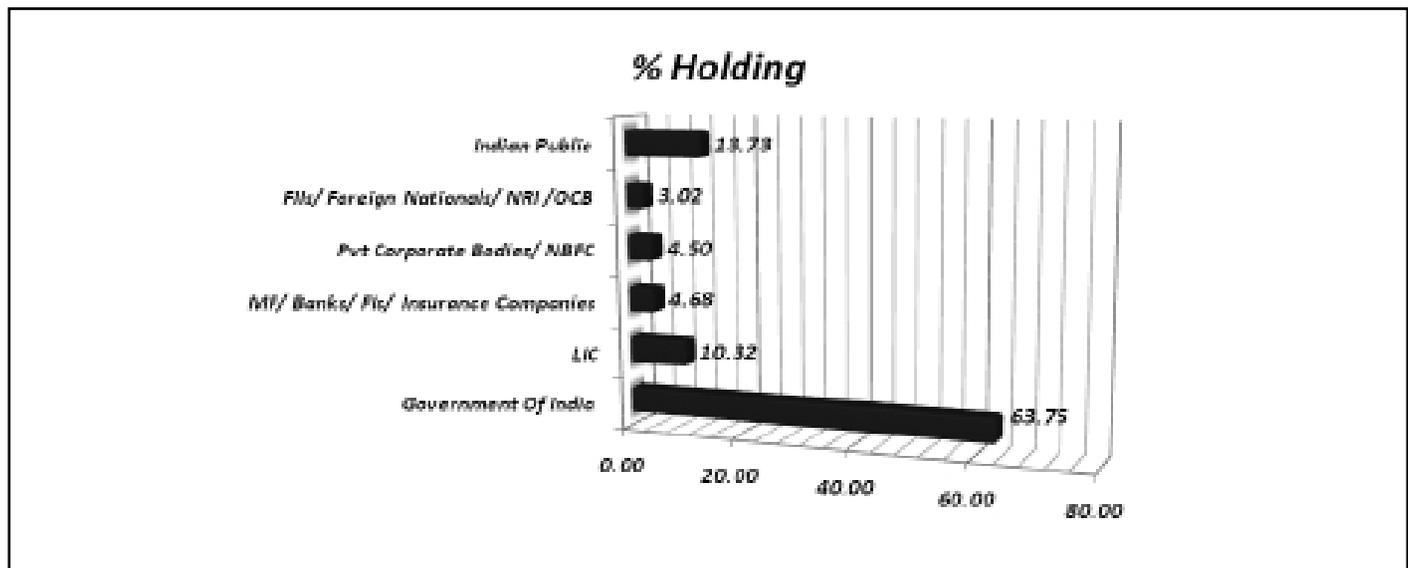
Graph showing the SCI share price movement vis-a-vis NIFTY based on above data:



DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH, 2020.

CATEGORY	DEMAT		PHYSICAL		TOTAL		%TO (A)	
	FOLIOS	SHARES	FOLIOS	SHARES	FOLIOS	SHARES	FOLIOS	SHARES
1 - 500	139785	18767890	70	9769	139855	18777659	88.8849	4.0313
501 - 1000	8943	7202879	4	3300	8947	7206179	5.6863	1.5471
1001 - 2000	4360	6611892	1	1200	4361	6613092	2.7716	1.4197
2001 - 3000	1476	3784080	0	0	1476	3784080	0.9381	0.8124
3001 - 4000	624	2251152	0	0	624	2251152	0.3966	0.4833
4001 - 5000	546	2594984	0	0	546	2594984	0.3470	0.5571
5001 - 10000	830	6123610	0	0	830	6123610	0.5275	1.3146
10000 & above	700	417998554	5	449700	705	418448254	0.4481	89.8345
TOTAL	157264	465335041	80	463969	157344	465799010 (A)	100.0000	100.0000

DISTRIBUTION OF SHAREHOLDING BY PERCENTAGE OF OWNERSHIP AS ON 31ST MARCH, 2020



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Directors' Remuneration

(Amount in ₹)

Name of the Director	Consolidated Salary	Perquisites, Allowances and other benefits	Post Retirement Benefit (Post Retirement Medical Scheme)	Performance Linked Incentives	Sitting Fees	Total
Capt. Anoop Kumar Sharma*	24,05,158	12,40,145	51,076	-	-	36,96,379
Smt. H K Joshi	42,45,666	13,25,095	1,24,368	-	-	56,95,129
Shri Shrikant Kher**	37,37,625	8,97,992	55,212	-	-	46,90,829
Shri Rajesh Sood	39,23,495	10,85,558	1,01,352	-	-	51,10,405
Smt. Sangeeta Sharma	41,91,317	11,05,460	1,02,777	-	-	53,99,554
Shri Surinder Pal Singh Jaggi	32,12,277	10,63,985	1,00,912	-	-	43,77,174
Shri Atul Ubale***	10,91,451	4,14,005	38,981	-	-	15,44,437
Shri Arun Balakrishnan****	-	-	-	-	1,60,000	1,60,000
Dr. Gautam Sinha	-	-	-	-	2,00,000	2,00,000
Dr. P. Kanagasabapathi	-	-	-	-	3,20,000	3,20,000
Shri Raj Kishore Tewari	-	-	-	-	2,80,000	2,80,000
CA Mavjibhai B Sorathia	-	-	-	-	2,80,000	2,80,000
Shri Vijay Tulshiramji Jadhao	-	-	-	-	1,80,000	1,80,000
Shri Pramod Kumar Panda*****	-	-	-	-	60,000	60,000
TOTAL	2,28,06,989	71,32,240	5,74,678	-	14,80,000	3,19,93,907

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.

*Capt. Anoop Kumar Sharma ceased to be on the Board of SCI w.e.f 11th September 2019

**Shri Shrikant Kher superannuated on 30th September 2019

***Shri Atul Ubale has been holding the post of Director (B&T) w.e.f. 5th December 2019

****Shri Arun Balakrishnan was ceased to be on Board w.e.f. 20.03.2020

*****Shri Pramod Kumar Panda has been inducted on the Board w.e.f. 18.10.2019.

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 Regulations.

Subsidiary Companies

The Inland and Coastal Shipping Limited (ICSL) is the wholly owned subsidiary of your Company which was incorporated on 29.09.2016. The said subsidiary is yet to start its 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.

SCI has received letter communication from National Stock Exchange of India Ltd. and from Bombay Stock Exchange Ltd, levying penalty for non-compliance of the provisions of Regulation 34(1) of SEBI (LODR) Regulations, 2015 for not filing Annual Report to Stock Exchange

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

within the time. Based on the representation made by the Company, both the Stock Exchanges have thereafter withdrawn this allegation and refunded/adjusted the penalty which was levied.

SCI has also received letters from BSE Ltd and National Stock Exchange Ltd informing penalty for non-compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 i.e. appointment of requisite number of Independent Directors on the Board during the period 1st April, 2019 to 30th September, 2019. In this regard, the Company has requested the Stock Exchanges for waiver of fine, as SCI being a Government Company, the power to appoint Directors (including Independent Directors) on the Board and their terms and conditions is vested with the Administrative Ministry. The Company has also written to the Administrative Ministry from time to time to make necessary appointment on the Board of SCI.

The Company has complied with the applicable conditions of Corporate Governance requirements as specified under Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the SEBI (LODR) Regulations, 2015 except to the extent of appointment of required number of Independent Directors on the Board of SCI during the period 1st April, 2019 to 30th September, 2019 and 21st March, 2020 onwards.

The link for accessing the details as prescribed under Regulation 46 of SEBI (LODR) Regulations, 2015 is www.shipindia.com → Investor → Disclosure under Listing Regulations.

Fees Paid to Statutory Auditors

The information is disclosed in note no 26(a) of Standalone and Consolidated financial statements of FY 2019-2020.

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

Particulars	Numbers
Number of complaints pending as on 01.04.2019	0
Number of complaints filed during the financial year	2
Number of complaints disposed off during the financial year	2
Number of complaints pending as on 31.03.2020	0

Code of Conduct for Prevention of Insider Trading

The Company has its SCI 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 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 crores, an amount of Rs. 196.80 crores has been utilised till date as under –

Month & Year	₹ Crores	Utilised for
November 2016	34.37	Equity portion of PSV – SCI Sabarmati
April 2017	63.82	Equity portion of Suezmax Tanker – Desh Abhiman

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Month & Year	₹ Crores	Utilised for
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 un-utilised 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 Chairperson and Managing Director and Director (Finance)/ Chief Financial Officer 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.

RIGHT TO INFORMATION ACT, 2005

Right to Information Act, 2005 (RTI) which became effective on 12th October, 2005 is complied by SCI. Detailed information on RTI is hosted on SCI Website under following link <http://shipindia.com/rti/rtpage/rti-act-2005> and updated the same from time to time. Shri Dipankar Haldar, ED (LA) & Company Secretary has been appointed as Public Information Officer (PIO) to deal with queries received from the Indian Citizens under RTI.

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

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

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

Key Managerial Personnel

Shri Lawrence Serrao was appointed as Chief Financial Officer in place of Smt H K Joshi with effect from 5th February, 2020 by the Board of Directors in their Board Meeting held on 04.02.2020.

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.

Reporting of Internal Auditor

The Internal Auditor, M/s Amit Ray and Company is reporting directly to the Audit Committee, also 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 Directors' Report. The policy is available at the company's website www.shipindia.com 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 2019-2020.

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.



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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 6.04% in FY 2019-20 as against 5.91% in FY 2018-19.
6. The finance expenses as a percentage of total expenses is 8.43% in FY 2019-20 as against 8.59% in FY 2018-19

Annexures

I	Annual Secretarial Compliance Audit under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
II	Certificate under Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Place : Mumbai
Dated : 07.08.2020

For and on behalf of the Board of Directors

Sd/-
Smt. H. K. Joshi
Chairperson & Managing Director & Director (Finance) Addl.charge

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY CHAIRPERSON & 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 2019-2020 and a confirmation to this effect has been obtained from the Directors & Senior Management personnel.

Place : Mumbai
Dated : 07.08.2020

For and on behalf of the Board of Directors

Sd/-
Smt. H. K. Joshi
Chairperson & Managing Director & Director (Finance) Addl.charge



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Annexure I

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

23rd June, 2020

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 2019-20

I have been engaged by 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with 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 there under 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 the 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

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

SECRETARIAL COMPLIANCE REPORT OF THE SHIPPING CORPORATION OF INDIA LIMITED **FOR THE YEAR ENDED 31.03.2020**

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, 2020 (“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:

- (a) 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

- (b) 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.
- (c) 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:

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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 19/08/2019 and 01/11/2019 from National Stock Exchange of India Ltd. and letters dated 19/08/2019 and 31/10/2019 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.
2)	a) BSE Limited b) National Stock Exchange of India Limited	Regulation 34(1)	SCI has received a email dated 15/10/2019 from National Stock Exchange of India Ltd. and email dated 15/10/2019 from BSE Ltd., levying penalty for non-compliance of the provisions of Reg. 34(1) of SEBI (LODR) Regulations, 2015 [for not filing Annual Report to Stock Exchange within time]	Based on the representation made to SEBI and the Stock Exchanges, the BSE and NSE have withdrawn the notice and refunded/ adjusted the penalty.

(d) 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 March 31, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1)	Non-compliance of Reg. 17(1) of SEBI (LODR) Reg. 2015 for not having required number of Independent Directors.	--	As informed, the listed entity is pursuing the matter with the Administrative Ministry for appointing required number of independent directors within the period prescribed under Section 149 of the Companies Act, 2013 and Reg. 25(6) of the SEBI (LODR) Reg. 2015.	Listing entity being a PSU, is dependent on the Ministry of Shipping for appointment of independent directors. As informed, the Company is following up with the Administrative Ministries for the said appointments.

UDIN: F002727B000369247
Place: MUMBAI
Date: 23.06.2020

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



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Annexure II

Certificate under Regulation 34 (3) of 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, Madam 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, 2020 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)	Smt. H.K. Joshi	07085755	Chairperson and Managing Director	19/12/2019
2)	Shri Sanjay Kumar	08683335	Non Executive Director (Part Time Ex-Officio)	29/01/2020
3)	Shri Satinder Pal Singh	07490296	Non Executive Director (Part Time Ex-Officio)	28/08/2017
4)	Shri Rajesh Sood	07958667	Whole-time Director	29/12/2017
5)	Smt. Sangeeta Sharma	07969443	Whole-time Director	29/12/2017
6)	Shri Surinder Pal Singh Jaggi	08116127	Whole-time Director	24/04/2018
7)	Shri. Atul Ubale	08630613	Whole-time Director	05/12/2019
8)	Dr Gautam Sinha	02480182	Independent Director	29/09/2017
9)	Shri Raj Kishore Tewari	07056080	Independent Director	29/09/2017
10)	Dr P. Kanagasabapathi	07986023	Independent Director	20/11/2017
11)	Shri Vijay Tulshiramji Jadhao	02907818	Independent Director	03/07/2018
12)	CA Mavjibhai B Sorathia	02015175	Independent Director	17/12/2018
13)	Shri. Pramod Kumar Panda	08150489	Independent Director	18/10/2019

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.

UDIN:F002727B000369126
Place: MUMBAI
Date: 23/06/2020

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To The Members of

The Shipping Corporation of India Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 03, 2019.
2. We have examined the compliance of conditions of Corporate Governance by THE SHIPPING CORPORATION OF INDIA LIMITED ('the Company'), for the year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("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 issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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 issued by ICAI

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the 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 paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020, 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 at least 50% Independent Directors, except for the period of 01.10.2019 to 20.03.2020 (both days inclusive) during which the number of Independent directors comprised of 50% of the total strength of the board.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the 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. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI FRN: 109208W

G Sankar
Partner
Membership No. 46050
UDIN: 20046050AAAAFE6645

Place: Mumbai
Date: 07-08-2020

For Haribhakti & Co. LLP.
Chartered Accountants
ICAI FRN: 103523W/W100048

Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAAEA5478

Place: Mumbai
Date: 07-08-2020



**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 2020**

The preparation of Standalone Financial Statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (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 29 May 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the financial statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2020 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

(P. V. Hari Krishna)
Principal Director of Audit (Shipping)

Place: Mumbai
Date: 06 August 2020

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 2020

The preparation of Consolidated Financial Statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (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 29 May 2020.

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 2020 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

(P. V. Hari Krishna)
Principal Director of Audit (Shipping)

Place: Mumbai

Date: 06 August 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of

The Shipping Corporation of India limited

Report on the Audit of the Standalone Ind AS Financial Statements Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of The Shipping Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 and notes to the Standalone Ind AS Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other 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 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 Standalone Ind AS 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 requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and 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 on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS 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	<p>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" (revenue accounting standard)</p> <p>The application of the 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, 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)</p>	<p>We assessed the Company's process to identify the impact of adoption of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to Implementation of the 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: <ul style="list-style-type: none"> ✓ 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.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
2.	<p><u>Impairment testing of Fleets in line with the Ind AS 36</u> 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. The provision for impairment of fleets is identified as a Key Audit Matter as it involves significant management assumptions and judgment to assess the market conditions and other associated risks in assessment of provisions.</p>	<p>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:</p> <ul style="list-style-type: none"> • 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.
3.	<p><u>The direct access of certain overseas foreign agents to fund collected on account of freight and other charges.</u> Liner division of the Company 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 the Company. The Company depends on its agents for operation of Liner segment business. Since all the activities are performed by the agents, there is requirement of funds & collection of income is done directly by agents and subsequently remitted to the Company. Therefore it involves a risk on the part of the Company and hence is identified as a Key Audit Matter.</p>	<p>We assessed the Company's process to evaluate Agents on timely basis to identify the impact of on the revenue and collection of funds.</p> <ul style="list-style-type: none"> • The 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. • The 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.	<p><u>Evaluation of Dry Docking Cost & Repair Expenses of Vessels:-</u> As per Ind AS 16 'Property, Plant and Equipment', 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, when they meet the recognition criteria, i.e., 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 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. The dry docking cost and repairs expenses of vessels are considered as Key Audit Matter as it requires management judgment to assess future economic benefits from the expenditure incurred and the measurement of the cost.</p>	<p>To assess the recognition of dry docking cost & repair cost, we performed the following process:</p> <ul style="list-style-type: none"> • 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.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
5.	<p><u>Provisions for taxes and Contingent Liabilities</u></p> <p>The Company is involved in various taxes and other disputes for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgment and such judgment relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgment required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit.</p>	<p>Our audit procedure in response to this key Audit Matter included, among others,</p> <ul style="list-style-type: none"> • Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings. • Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases. • Inquiry with the legal and tax departments regarding the status of the most significant disputes and inspection of the key relevant documentation. • Analysis of opinion received from the experts where available. • Review of the adequacy of the disclosures in the notes to the financial statements. • We have observed that the provision for tax estimated as above including the deferred tax, has not resulted in material deviation from the applicable rate of tax after considering the exemptions, deductions and disallowances as per the provisions of the Income Tax Act.

Emphasis of Matter

We draw attention to the following matters in the notes to the Standalone Ind AS Financial Statements:

- (i) We draw attention to Note No. 42 to the Standalone Ind AS Financial Statements, which states that the Comptroller and Auditor General of India ("C&AG") raised an observation relating to payment of Performance Related Pay (PRP) of Rs. 11.03 crores for the financial year 2014-15 with respect to two issues i.e. identification of Core and Non Core income as per DPE guidelines and observing "Bell Curve" approach in PRP calculation. Regarding identification of Core and Non Core income, the Company has taken the issue for deliberation in the Nomination and Remuneration Committee of the Board. The Committee has endorsed the stand taken by the Company on certain items and advised the Company to take the matter forward.
- (ii) We draw attention to Note No. 45 to the Standalone Ind AS Financial Statements, which states that trade receivables, trade payables and deposits are subject to the balance confirmations, subsequent reconciliation and consequential adjustments, if any.

Our opinion is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind

AS Financial Statements, and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS 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 Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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;

INDEPENDENT AUDITOR'S REPORT

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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 this Standalone Ind AS 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 Ind AS 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 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 Ind AS 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements of the current year 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 Matter

The audit of Standalone Ind AS Financial Statements for the year ended March 31, 2019, was carried out and reported by joint auditors, G. D. Apte & Co and A. Bafna & Co, vide their unmodified audit report dated May 28, 2019 whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

INDEPENDENT AUDITOR'S REPORT

- (2) As required by section 143(3) of the Act, we report that:
- 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;
 - 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;
 - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - In our opinion and to the best of our information and according to the explanations given to us, the Company being a Government Company, section 164(2) related to disqualifications for appointment of directors is not applicable to it in accordance with exceptions modifications and adaptations provided vide Notification No. G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs (the "Notification").
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
 - With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of

section 197(16) of the Act:

- In our opinion and to the best of our information and according to the explanations given to us, the Company being a Government Company, section 197 of the Act related to the managerial remuneration is not applicable to it in accordance with exceptions modifications and adaptations provided vide Notification No. G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs.
- 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;
 - 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;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required under sub section (5) of Section 143 of the Act, in case of the Government Company, we give in the "Annexure 3" a statement on the matters specified in the directions and sub-directions issued by office of the Comptroller and Auditor General of India.

**For V. Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W**

**G Sankar
Partner
Membership No. 46050
UDIN: 20046050AAAADB7091**

**Place: Mumbai
Date: May 29, 2020**

**For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048**

**Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAABA7350**

**Place: Mumbai
Date: May 29, 2020**

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of the company on the Standalone Ind AS Financial Statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (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 the Company and the nature of its assets.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for the details given below, for which no records were made available to us for verification and in respect of some properties the written agreements are not on the traditional stamp papers, however, such agreements are written on green ledger papers and duly signed by the all concerned parties.

(Amount in lakhs)

Land/ Building	Total number of Flats / Garage	Leasehold/ Freehold/ Tittle deeds	Gross Block as on March 31, 2020	Net Block as on March 31, 2020	Remarks
GONDAVALI APTS	10	Not Available	18.79	7.83	Share certificates are available.
CHITRAKOOT APTS	2	Not Available	4.57	0.78	Share certificates are available.
KAVITA APTS	1	Not Available	2.62	1.09	Share certificates are available.
LANDS END APTS	1	Not Available	2.76	0.55	Share certificates are available.
AJANTA APTS	1	Not Available	2.35	0.98	Share certificates are available.
RAJHANS APTS	1	Not Available	1.47	0.15	Share certificates are available.
SOMMERSET HOUSE	1	Not Available	4.20	0.84	Share certificates are available.
ANITA APTS (Garage)	1	Not Available	0.12	0.02	Share certificates are available.
ASHARYA APTS (Garage)	1	Not Available	0.16	0.01	Share certificates are available.
SATNAM APTS (Garage)	1	Not Available	0.10	0.03	Share certificates are not available.
VIJAY APTS (Garage)	3	Not Available	0.70	0.22	Share certificates are not available.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
 - (a) The terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
 - (b) In case of loans granted, the terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand subject to the approval from other shareholders. Payment of interest has been stipulated, and the receipts thereof are regular, except in case of loan granted to joint ventures 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 Pvt Ltd, interest amounting to ₹ 34.10 Lakhs, 32.11 lakhs, 266.69 lakhs and 8.36 lakhs respectively for the period from December 30, 2019 to March 30, 2020 due on March 31, 2020 has not been received by the Company.

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

- (c) In respect of the aforesaid loans, there are no overdue amount for more than ninety days in respect of the loans granted except, in respect of interest for the period from December 28, 2018 to December 29, 2019 amounting to ₹ 1,060.42 Lakhs and ₹ 33.25 Lakhs in respect of joint venture company India LNG Transport Co. No. 3 Ltd and India LNG Transport Co. No. 4 Pvt Ltd respectively which has not been received by the Company and the same has been compounded into loan.
- (iv) Based on information and explanation given to us, 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 are not applicable to the Company. Further, the Company has complied with the provisions of section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Therefore, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii)
- (a) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it. However, there has been slight delays in certain months while depositing provident fund in respect of fleet personnel. And there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty on account of any dispute, are as follows:

(Amount in ₹ lakhs)

Name of the statute	Nature of dues	The Forum / Authority where Dispute is pending	Period to which the amount relates	Sum of Amount Involved	Sum of Amount Paid Under Protest	Sum of Unpaid Amount
Finance Act, 1994	Service Tax	CESTAT	April 09 to Sep 2015	1,57,421.64	3,099.00	1,54,322.64
Finance Act, 1994	Service Tax	Commissioner (Appeals)	Oct 15 to Jun 17	116.26	4.00	112.26
Finance Act, 1994	Service Tax	Joint Commissioner, LTU	Oct 15 to Jun 17	401.96	18.00	383.96
AP VAT Act, 2005	VAT	CTO	2011-12	10.00	0	10.00
Sales Tax	VAT	Bombay High Court	1993-94, 1994-95 & 2017-18	131.00	95.00*	36.00
Income Tax Act, 1961	U/s 195	Bombay High Court	2003-04 to 2005-06	9,819.59	0	9,819.59
Income Tax Act, 1961	Tax U/s 143(3)	Bombay High Court	2006-07	2,901.00	0	2,901.00
Income Tax Act, 1961	Tax U/s 143(3)	ITAT Mumbai	2007-08	1,013.00	0	1,013.00
Income Tax Act, 1961	Tax U/s 143(3)	ITAT Mumbai	2009-10	2,452.35	0	2,452.35
Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2010-11	71.88	14.38	57.50
Income Tax Act, 1961	Tax U/s 201(1) 201(1A)	CIT(A) Mumbai	2010-11	2,170.35	109.00	2,061.35
Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2014-15	4,134.18	851.00	3,283.18
Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2016-17	1,639.50	0	1,639.50

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

*(According to the directions received from Bombay High Court in respect of financial year 2017-18, the Company has deposited the amount of ₹ 95 lakhs with the Prothonotary and Senior master of High Court, until the issue is decided by the Hon'ble court.)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions & 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 also 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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) The Company is a Government company, and the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements 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. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and therefore, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V. Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W

G Sankar
Partner
Membership No.46050
UDIN: 20046050AAAADB7091

Place: Mumbai
Date: May 29, 2020

For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048

Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAABA7350

Place: Mumbai
Date: May 29, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of The Shipping Corporation of India Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of The Shipping Corporation of India Limited ("The Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on 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 with reference to financial statements 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 (the "Guidance Note") 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 explanations given to us and based on our audit, the following material weaknesses have been identified in

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2020:

a) System for Monitoring and Clearing of Vendor Accounts (Including Agent Prefunding) should be done on timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as of March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2020.

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 Standalone Ind AS Financial Statements of the Company for the year ended March 31, 2020, and these material weaknesses do not affect our opinion on the Standalone Ind AS Financial Statements of the Company.

**For V. Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W**

**G Sankar
Partner
Membership No. 46050
UDIN: 20046050AAAADB7091**

**Place: Mumbai
Date: May 29, 2020**

**For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048**

**Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAABA7350**

**Place: Mumbai
Date: May 29, 2020**

ANNEXURE 3 TO THE INDEPENDENT AUDITOR'S REPORT

Directions under Section 143(5) of the Companies Act, 2013

On the Accounts of The Shipping Corporation of India Limited for the year 2019-20

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 ₹ 4.67 Crores is shown as receivable and provision for doubtful advances is created on the same.	No Impact
		b) The Company had received Ministry of Shipping subsidy of ₹ 19 crores in the financial year 2017-18 provided for running direct shipping services between India to Bangladesh - Myanmar and Srilanka - Maldives. However, the Company awaited direction from Ministry to start the Service and hence action for in-chartering of the vessel was deferred by the Company. In financial year 2019-20, Ministry of Shipping directed to refund the Subsidy amount. Accordingly, subsidy and interest earned thereon from date of receipt of funds till date of refund amounting to ₹ 20.53 crores was transferred to Ministry of Shipping.	Impact

Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of the Shipping Corporation of India Limited for the year 2019-20

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

ANNEXURE 3 TO THE INDEPENDENT AUDITOR'S REPORT

Sr. No.	Sub-directions	Auditors' comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
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. 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).	No Impact
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, where money is payable to the agent, such balances are disclosed under the "Liability" head in the balance sheet, subject to reconciliation with Agents.	No Impact

For V. Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W

G Sankar
Partner
Membership No.46050
UDIN: 20046050AAAADB7091

Place: Mumbai
Date: May 29, 2020

For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048

Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAABA7350

Place: Mumbai
Date: May 29, 2020

The Shipping Corporation of India Limited

STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,062,764	1,111,656
Capital work-in-progress	4	284	763
Other intangible assets	5	146	253
Right-of-use asset	6	2,403	-
Financial assets			
i. Investments	7(a)	7,726	7,714
ii. Loans	7(b)	26,030	2,036
iii. Other financial assets	7(c)	7	7
Income Tax assets (net)	8	20,112	15,562
Other non-current assets	9	9,635	8,180
Total non-current assets		1,129,107	1,146,171
Current assets			
Inventories	10	13,138	15,979
Financial assets			
i. Investments	7(d)	-	-
ii. Trade receivables	7(e)	60,623	59,892
iii. Cash and cash equivalents	7(f)	24,478	9,538
iv. Bank balances other than (iii) above	7(g)	69,299	90,278
v. Loans	7(b)	791	22,381
vi. Other financial assets	7(c)	56,322	47,676
Other current assets	9	19,547	23,545
Assets classified as held for sale	11	7	7
Total current assets		244,205	269,296
Total assets		1,373,312	1,415,467
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	46,580	46,580
Other Equity	13	683,238	651,541
Total equity		729,818	698,121
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14(a)	167,738	252,666
ii. Lease Liabilities	14(b)	2,395	-
iii. Other financial liabilities	14(c)	25	41
Provisions	15	6,497	6,356
Deferred tax liabilities (net)	16	7,531	9,153
Total non-current liabilities		184,186	268,216

The Shipping Corporation of India Limited

STANDALONE BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
Current liabilities			
Financial liabilities			
i. Borrowings	14(d)	198,642	158,748
ii. Lease Liabilities	14(b)	209	-
iii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	14(e)	629	545
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	14(e)	94,931	126,725
iv. Other financial liabilities	14(c)	129,396	131,619
Other current liabilities	17	12,148	9,859
Provisions	15	1,007	1,130
Liabilities directly associated with assets classified as held for sale	18	22,346	20,504
Total current liabilities		459,308	449,130
Total liabilities		643,494	2,648
Total equity and liabilities		1,373,312	1,415,467

The accompanying notes no. 1 to 47 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048

Mr. Dipankar Haldar
ED (LA & Company Secretary)

Mr. L. C. Serrao
Chief Financial Officer

CA G Sankar
Partner
Membership No. 046050

CA Hemant J. Bhatt
Partner
Membership No. 036834

Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020

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 2020	Year ended 31 March 2019
Revenue from operations	19,20	442,544	387,285
Other income	21	24,295	23,223
Total Income		466,839	410,508
Expenses			
Cost of services rendered	22	255,825	253,296
Employee benefits expense	23	47,654	44,757
Finance costs	24	36,413	35,905
Depreciation and amortisation expense	25	67,127	65,846
Other expenses	26	25,069	18,189
Total expenses		432,088	417,993
Profit/(Loss) before exceptional items and tax		34,751	(7,485)
Exceptional items		-	-
Profit/(Loss) before tax		34,751	(7,485)
Tax expense	29		
Current tax		4,850	7,090
Tax pertaining to earlier years		154	-
Deferred tax		(1,622)	(1,242)
MAT Credit Entitlement		1,134	(1,134)
Total tax expense		4,516	4,714
Profit/(Loss) for the period		30,235	(12,199)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements gain/(loss) of defined benefit plans		1,462	564
Other comprehensive income for the period, net of tax		1,462	564
Total comprehensive income for the period		31,697	(11,635)
Earnings per equity share	27		
(1) Basic earnings per share (in ₹)		6.49	(2.62)
(2) Diluted earnings per share (in ₹)		6.49	(2.62)

The accompanying notes no. 1 to 47 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048

Mr. Dipankar Haldar
ED (LA & Company Secretary)

Mr. L. C. Serrao
Chief Financial Officer

CA G Sankar
Partner
Membership No. 046050

CA Hemant J. Bhatt
Partner
Membership No. 036834

Mrs. H. K. Joshi
Chairperson & Managing Director
& Director (Finance) Addl. charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020

The Shipping Corporation of India Limited

STANDALONE CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash Flow from operating activities		
Profit/(Loss) before income tax	34,751	(7,485)
Adjustments for		
Add:		
Depreciation and amortisation expenses	67,127	65,846
Finance costs	20,937	24,586
Bad debts and irrecoverable balances written off	2,782	986
Provision for doubtful debts	(839)	3,195
Write off of Fixed Assets	242	191
Provision of Asset held for sale	(5)	95
Foreign Currency Fluctuations	27,590	8,794
Less:		
Dividend received	(185)	(287)
Interest received	(8,117)	(9,045)
Excess Provisions written back	(6,212)	(1,778)
Profit on sale of investment	(226)	-
Surplus on sale of fixed assets	(9,337)	(11,395)
Change in non-current investment due to fair valuation	(12)	(232)
Change in operating assets and liabilities		
(Increase)/Decrease in trade and Other Receivables	(7,565)	(17,876)
(Increase)/Decrease in inventories	2,841	(4,326)
(Increase)/Decrease in trade and other Payables/Provision	(18,612)	22,193
	105,160	73,462
Cash generated from operations		
Income taxes paid	(10,688)	(6,639)
Net cash inflow from operating activities (A)	94,472	66,823
B Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(10,450)	(35,734)
Sale proceeds of property, plant and equipment	11,844	16,050
Dividend received	185	287
Proceeds from sale of investments	226	5,605
Loan remitted / Recovery to/from employees and Joint venture	(488)	2,510
Other Deposits with banks	20,722	(3,095)
Advances and other Deposits	88	(738)
Interest received	9,792	8,490
Net cash inflow / (outflow) from investing activities (B)	31,919	(6,625)



The Shipping Corporation of India Limited

STANDALONE CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
C Cash flow from financing activities		
Long term loans repaid	(116,325)	(109,024)
Long term loans borrowed	-	26,089
Short term loans borrowed/(repaid)	26,813	32,541
*Dividend on shares paid of earlier years and transfer to IEPF	-	(20)
Interest paid	(21,023)	(22,640)
Payment of Lease liability	(116)	-
Other financing costs	(1,318)	(1,243)
Net cash outflow from financing activities (C)	(111,969)	(74,297)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	14,422	(14,099)
Add: Changes in Bank balances (unavailable for use)*	257	(223)
Add: Cash and cash equivalents at the beginning of the financial year	9,538	24,178
Exchange difference on translation of foreign currency cash and cash equivalents	261	(318)
Cash and cash equivalents at the end of the year**	24,478	9,538
** Comprises of		
Balances with banks in current accounts	21,830	5,995
Balances with banks in deposits account with original maturity of less than three months	2,648	3,543
Total	24,478	9,538

*The restrictions are primarily on account of bank balances held as margin money deposits against guarantees. The accompanying notes no. 1 to 47 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048

Mr. Dipankar Halder
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Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020

The Shipping Corporation of India Limited

STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)	46,580
Balance as at 1st April 2018	-
Changes in equity share capital	<u>46,580</u>
Balance as at 31 March 2019	-
Changes in equity share capital	<u>46,580</u>
Balance as at 31 March 2020	<u>46,580</u>

B. Other Equity

Particulars	Note	Reserves and Surplus					Total Equity
		Capital Reserve	Securities Premium Reserve	Retained Earnings	General Reserve	Other Reserves Tonnage Tax Reserve Tonnage Tax Reserve (Utilised)	
Balance as at 1st April 2018		15,205	52,177	42,267	553,527	-	663,176
Profit for the year		-	-	(12,199)	-	-	(12,199)
Other Comprehensive Income for the year	31	-	-	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
Profit for the year		-	-	30,235	-	-	30,235
Other Comprehensive Income for the year	31	-	-	1,462	-	-	1,462
Total Comprehensive Income for the year		-	-	31,697	-	-	31,697
Transfer to Tonnage tax reserve		-	-	(2,100)	-	-	(2,100)
Transfer from surplus in Statement of Profit & Loss account		-	-	-	2,100	-	2,100
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	-	-
Transfer from Tonnage tax reserve		-	-	-	-	-	-
Transfer to Capital Reserve		-	-	-	-	-	-
Transfer to General Reserve		-	-	-	-	-	-
Dividend distribution tax paid		-	-	-	-	-	-
Balance as at 31 March 2020		15,205	52,177	60,229	553,527	2,100	683,238

The accompanying notes no. 1 to 47 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For V. Sankar Aiyar & Co., Chartered
Accountants
FR. No. 109208W
CA G Sankar
Partner
Membership No. 046050

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048
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Mr. Dipankar Halder
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Chief Financial Officer

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Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020

The Shipping Corporation of India Limited

Standalone Financial Statement for the year ended 31 March 2020

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, LPG carrier 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 29th May 2020.

Note 1: Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies applied are consistent with those of the previous financial years except for the adoption of Ind AS 116 – Leases w.e.f. April 1, 2019.

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 116 "Leases"

The Company has implemented the Ind AS 116 "Leases" as notified by Ministry of Corporate Affairs on 30th March 2019 through the Companies (Indian Accounting Standard) Amendment Rules, 2019.

The Company has applied the standard w.e.f. accounting period commenced on or after April 1, 2019 to its Leases using the modified retrospective approach, therefore previous period comparative figures are not adjusted in the financial statements. This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. The rights of use assets are depreciated on a straight line basis over a lease term.

The Company has therefore recognised a lease liability of

The Shipping Corporation of India Limited

Standalone Financial Statement for the year ended 31 March 2020

₹ 2640 lakhs and a corresponding ROU asset as at 1st April 2019. The impact of adopting Ind AS 116 on the Company's financial results for the year ended 31st March 2020 is as follows:

1. Depreciation expense has increased by ₹ 293 lakhs due to amortisation of ROU asset.
2. Finance cost has increased by ₹ 249 lakhs due to interest on outstanding lease liability.
3. Other expenses has been decreased by ₹ 340 lakhs due to recognition of lease liability and corresponding ROU asset.
4. The net impact on PBT amounts to a loss of ₹ 202 lakhs.

The net impact of this adoption is not material on the earnings per share. The other amendments encompass various guidance and clarifications which affect disclosures. The disclosures of significant accounting reporting requirements and assumptions relating leases are provided in Note 6, 14(b), 24, 25 and 34.

In connection with the transition to the new standard, management has applied judgement and formed assumptions in relation to assessing the incremental borrowing rate, service components and extension options of leasing arrangements. Management has formed its judgements and assumptions based on historical experience, internal and external available information and data.

(ii) Ind AS 12 "Income Tax" - Uncertainty over income tax treatments

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019. The Rules amended Ind AS 12 – Uncertainty over income tax treatments. These amendments are applicable from 1 April 2019 onwards and the Company has applied this amendment w.e.f. accounting period commenced on or after April 1, 2019.

The principles of uncertain tax treatments are included in the scope of Ind AS 12 "Income taxes". It clarifies the recognition and measurement for income tax when it is unclear whether a taxation authority will accept the tax treatment claimed. An uncertain tax position arises where there is more than one possible interpretation of how tax regulations apply to a given transaction or event. The interpretation requires the Company to determine whether uncertain tax treatments are assessed separately or as a group. The interpretation also requires an assumption that a taxation authority has full knowledge of all relevant information. Where it is not probable that a taxation authority will accept an uncertain tax treatment, it requires the Company to reflect the effect of the uncertainty in the accounting tax position. Finally, reassessment should be performed on a yearly basis in the event of changes in facts

and circumstances.

Management reviewed the features of the new interpretation, notably in terms of tax risks included in the scope of the interpretation. However, the implementation of the standard has no impact on accounts.

(iii) The Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019 and notified the following amendments (other than Ind AS 116 & amendment in Ind AS 12 mentioned above) which were applicable for period beginning on 1st April 2019:

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting

The Shipping Corporation of India Limited

Standalone Financial Statement for the year ended 31 March 2020

period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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.

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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

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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

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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.

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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. As per the newly introduced section 115BAA of the Act, with effect from the year ended 31st March 2020, all domestic companies shall have an option to pay income tax @ 22% [excluding surcharge and cess] or at the rate as applicable from time to time subject to conditions.

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 employee's 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.

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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

A contract or parts of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed.

Where the Company is the lessee in a lease arrangement at inception, the lease contracts are recognized as rights-of use assets and lease liabilities are measured at present value of lease payments at initial recognition except for short-term leases and leases of low value. The rights of use assets are depreciated on a straight line basis over a lease term. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental

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borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit & loss Account.

Where the Company is the lessor in a lease arrangement at inception, the lease arrangement will be classified as a finance lease or an operating lease. Classification is based on the extent to which the risks and rewards incidental to ownership of the underlying asset lie with the lessor or the lessee. Under operating lease, where the Company is the lessor, the assets are included in the balance sheet and, where applicable, are depreciated in accordance with the Company's depreciation policies as set out in Note 1.3 Property, plant and equipment. Revenue arising from assets leased out under operating leases is recognised on overtime basis.

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.

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 2020, 2 PSV and 5 AHTS vessels are estimated to be having scrap value less than 5% of original cost. [Refer Note No. 40]

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

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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 employment 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.

i) **Leases**

Lease contracts contain extension or termination options. Assessment of the exercise or non-exercise of such options impacts the value of right-of-use asset recognised. Such assessments are reviewed whenever a significant event or change in circumstances occurs.

For the purpose of calculating the present value, the interest rate implicit in the lease or an incremental borrowing rate is used as discount factor. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset. Determination of the incremental borrowing rate requires estimation.

Management has applied judgement and formed assumptions in relation to assessment of incremental borrowing rate, service components and extension options of leasing arrangements. Management has formed its judgements and assumptions based on historical experience, internal and external information and data available.

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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 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 (Note11)	-	-	-	(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 accumulated depreciation (31 March 2018)	-	80	15	427,300	34,282	-	848	8	462,533
Depreciation charge for the year	-	28	5	47,787	17,689	-	250	1	65,760
Assets classified as held for sale (Note11)	-	-	-	(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
Year ended 31 March 2020									
Gross carrying amount									
Opening gross carrying amount (31 March 2019)	237,630	1,107	140	1,231,619	85,407	-	1,948	18	1,557,869
Additions	-	34	-	14,869	4,818	-	97	-	19,818
Disposals	-	-	-	(56,440)	(4,502)	-	(3)	-	(60,945)
Transfer	-	-	-	-	763	-	-	-	763
Closing gross carrying amount (31 March 2020)	237,630	1,141	140	1,190,048	86,486	-	2,042	18	1,517,505
Accumulated depreciation									
Opening accumulated depreciation (31 March 2019)	-	108	20	397,077	47,901	-	1,098	9	446,213
Depreciation charge for the year	-	29	5	48,032	18,477	-	180	1	66,724
Disposals	-	-	-	(53,965)	(4,228)	-	(3)	-	(58,196)
Closing accumulated depreciation (31 March 2020)	-	137	25	391,144	62,150	-	1,275	10	454,741
Net carrying amount (31 March 2020)	237,630	1,004	115	798,904	24,336	-	767	8	1,062,764

Notes:-

- (1) Additions to Fleet include ₹ 11,875 Lakhs (Previous year ₹ 19,743 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 which is on leasehold land (Previous year ₹ 134 lakhs)
- (3) Ownership Flats and Residential Buildings include: Cost of shares and bonds in Cooperative Societies/Company of face value ₹ 0.73 lakhs (Previous year ₹ 0.73 lakhs).
- (4) *Refer Note 35 for Fleet pledged with banks for Borrowings.
- (5) There is no significant property, plant and equipment as on 31st March 2020 which are fully depreciated and are still in use.

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

NOTE 4: CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2018	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2019	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2020
(A) Construction Work in Progress							
Asset under Construction excluding advance	781	763	781	763	284	763	284
(B) Construction Period Expenses							
a. Interest	-	-	-	-	-	-	-
b. Other directly attributable expenses	-	-	-	-	-	-	-
c. Exchange fluctuation	-	-	-	-	-	-	-
Total (A+B)	781	763	781	763	284	763	284

NOTE 5: INTANGIBLE ASSETS

Particulars	Computer Software	Total
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
Net carrying amount (31 March 2019)	253	253
Year ended 31 March 2020		
Gross carrying amount		
Opening gross carrying amount (31 March 2019)	1,623	1,623
Additions	2	2
Closing gross carrying amount (31 March 2020)	1,625	1,625
Accumulated amortisation		
Opening accumulated amortisation (31 March 2019)	1,370	1,370
Amortisation charge for the year	109	109
Closing accumulated amortisation (31 March 2020)	1,479	1,479
Net carrying amount (31 March 2020)	146	146

NOTE 6: RIGHT OF USE ASSET

Particulars	Land	Buildings	Fleet	Furniture, Fittings & Equipments	Moter Vehicles	Total
Year ended 31 March 2020						
Gross carrying amount						
Opening gross carrying amount (1 April 2019)	428	2,012	-	-	200	2,640
Additions	-	7	-	49	-	56
Closing gross carrying amount (31 March 2020)	428	2,019	-	49	200	2,696

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Land	Buildings	Fleet	Furniture, Fittings & Equipments	Moter Vehicles	Total
Accumulated depreciation						
Opening accumulated depreciation (1 April 2019)	-	-	-	-	-	-
Depreciation charge for the year	42	177	-	5	69	293
Closing accumulated depreciation (31 March 2020)	42	177	-	5	69	293
Net carrying amount (31 March 2020)	386	1,842	-	44	131	2,403

NOTE 7: FINANCIAL ASSETS

NOTE 7(a): NON-CURRENT INVESTMENTS

Particulars	Face value	31 March 2020		31 March 2019	
		No. of shares/ Units	Rupees in lakhs	No. of shares/ Units	Rupees 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
In Joint Venture					
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 1) Ltd.	2.33 Euro	2908	3	2908	3
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.	2.33 Euro	2908	3	2908	3
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.	1 USD	2600	1	2600	1
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Pvt Ltd.	1 USD	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. Less: Loss allowance	₹ 10	50000000	5,000	50000000	5,000
			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) Less: Loss allowance	₹ 20	3438	-	3438	-
			-		-
			-		-
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd. (Prev. yr. 60,000)	₹ 10	60000	362	60000	350
Total (equity instruments)			7,726		7,714
Total non-current investments			7,726		7,714
Aggregate amount of unquoted investments			12,726		12,714
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			362		350

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

- (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.
- (E) Inland & Coastal Shipping Ltd is the 100 percent Subsidiary.

NOTE 7(b): LOANS

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Considered good - Secured				
Loans to employees	181	1,896	347	1,562
Considered good - Unsecured				
Loans to related parties*	610	23,512	22,034	-
Security Deposits	-	622	-	474
Total loans	791	26,030	22,381	2,036

*This includes amount of ₹ 609.70 lakhs remitted by India LNG Transport Company (No. 4) Pvt. Ltd. on 31st March 2020 which credit was received by SCI on 01/04/2020.

NOTE 7(c): OTHER FINANCIAL ASSETS

Particulars	31 March 2020		31 March 2019	
	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*	342	-	302	-
Bank deposits with more than 12 months maturity				
- Term Deposits	-	-	-	-
Receivable from Subsidiary-ICSL Ltd.	10	-	10	-

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Income accrued on deposits/investments	1,380	-	2,985	-
Claim Recoverable	7,837	-	11,060	-
Unbilled Revenue (Contract Asset) (Refer Note no 33 for details)	46,752	-	33,968	-
Less: Provision for doubtful debts	-	-	(650)	-
	46,752	-	33,318	-
Others	1	7	1	7
Total other financial assets	56,322	7	47,676	7

*This includes amount of ₹ 266.94 lakhs and ₹ 8.36 lakhs remitted by India LNG Transport Co. (No. 3) Ltd. & India LNG Transport Company (No. 4) Pvt. Ltd. respectively on 31st March 2020 which credits were received by SCI on 01/04/2020.

NOTE 7(d): CURRENT INVESTMENTS

Particulars	Face value	31 March 2020		31 March 2019	
		No. of shares/Units	Amount	No. of shares/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.)	1USD	295,029	-	295,029	-
500 (Prev. yr. 500) shares of ₹ 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	-
16 (Prev.yr.16) shares of USD 1 each fully paid up of BISS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)**)	1USD	16	-	16	-
Total (Equity instruments)			-		-
Total current investments			-		-
Aggregate amount of quoted investments and market value thereof			-		-
Aggregate amount of unquoted investments			-		-
Aggregate amount of impairment in the value of investments			-		-
Investments carried at fair value through Profit and Loss			-		-

* Jaladhi Shipping Services (India) Pvt Ltd is dissolved therefore shares of the company are not shown for FY 2019-20.

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

NOTE 7(e): TRADE RECEIVABLES

Particulars	31 March 2020	31 March 2019
Trade Receivable*	82,672	85,515
Less: Allowance for doubtful debts**	22,049	25,623
Total receivables	60,623	59,892
Current Portion	60,623	59,892
Non Current Portion	-	-

BREAK UP OF ABOVE DETAILS

Particulars	31 March 2020	31 March 2019
Considered good - Secured	7,710	8,474
Considered good - Unsecured	54,766	53,311

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Trade Receivables which have significant increase in Credit Risk	19,138	20,124
Trade Receivables - credit impaired	1,058	3,606
Total	82,672	85,515
Allowance for doubtful debts	22,049	25,623
Total trade Receivables	60,623	59,892

*Significant Receivables from related parties (refer note 30)

** Refer Note no. 38 for further details

NOTE 7(f): CASH AND CASH EQUIVALENTS

Particulars	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	21,830	5,995
- in deposits account with original maturity of less than three months	2,648	3,543
Total cash and cash equivalents	24,478	9,538

NOTE 7(g): BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	31 March 2020	31 March 2019
Margin money for Bank Guarantee	-	257
Other Deposits with banks*	69,299	90,021
Total Bank balances other than cash and cash equivalents	69,299	90,278

*Refer Note 35 for Deposits pledged with banks for Borrowings

*Fixed deposit includes unutilised funds of FPO as on 31st March 2020 is ₹ 13385 lakhs (as on 31st March 2019 is ₹ 13385 lakhs).

NOTE 8: INCOME TAX ASSETS(NET)

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Income Tax Assets (Net of Provision) *	-	20,112	-	15,562
Income Tax Assets (Net)	-	20,112	-	15,562

* Refer Note no. 29 for further details

NOTE 9: OTHER ASSETS

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances				
Advances to employees				
i) Secured, Considered Good	-	-	-	-
ii) Unsecured, Considered Good	495	-	647	-
	495	-	647	-
Less : Provision for Doubtful Advances	205	-	100	-
	290	-	547	-
Advances to Others				
i) Unsecured, Considered Good	8,952	-	9,892	-
ii) Unsecured, Considered Doubtful	1,519	-	1,638	-
	10,471	-	11,530	-
Less : Provision for Doubtful Advances	1,519	-	1,638	-
	8,952	-	9,892	-

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
(b) Others				
Excess - Gratuity Fund	-	4,573	-	3,265
Balances with statutory authorities				
- Cenvat Credit Receivables	95	-	95	-
- Service tax paid under Protest	-	3,122	-	3,100
- GST Receivable*	9,706	-	11,236	-
- Predeposit with Income Tax Department	-	974	-	974
	9,801	4,096	11,331	4,074
MAT Credit				
Opening	1,134	-	-	-
Add : Credit during the year	-	-	1,134	-
Less : MAT Written off**	1,134	-	-	-
	-	-	1,134	-
Subsidy for Passenger service (Myanmar)***	467	-	467	-
Less : Provision for Doubtful Advances	467	-	467	-
	-	-	-	-
Prepaid Expenses	503	-	640	-
Others	1	966	1	841
Total other assets	19,547	9,635	23,545	8,180

*As a prudent practice, the Company is taking Goods and Service Tax Credit in the Electronic Credit Ledger upon payment of the liabilities. Hence, there is a difference in the amount of credit appearing in books of accounts and the Electronic Credit Ledger of the respective states. Therefore, the balance in Input Tax Credit ledgers as on 31st March, 2020 will be progressively reviewed and availed for discharge of Goods and Service Tax liability payable by the Corporation.

** As per the newly introduced section 115BAA of the Act, with effect from the year ended 31st March 2020, all domestic companies shall have an option to pay income tax @ 22% subject to conditions. The effective tax rate for such companies shall be 25.17% [tax @22% plus surcharge @10% and 4% cess(on tax and surcharge)]. Further, such companies opting for reduced tax rate u/s 115BAA shall not be required to pay MAT. In view of the above, as SCI has opted for lower tax rate in FY 2019-20, the MAT credit of ₹ 1134 lakhs had to be written off.

*** 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 10: INVENTORIES

Particulars	31 March 2020	31 March 2019
Fuel Oil*	13,138	15,979
Total inventories	13,138	15,979

*Write down inventories carried at NRV of ₹ 829.14 lakhs as on 31.03.2020 and recognised as expense.

NOTE 11: ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	31 March 2020	31 March 2019
Fleet and Container held for Sale	90	95
Less: Impairment loss allowance	(90)	(95)
	-	-
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

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
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	7

- 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 Lakhs (Previous year ₹ 3 Lakhs) 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 37).

NOTE 12: EQUITY SHARE CAPITAL

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised 1,00,00,00,000 [31 March 2019: 1,00,00,00,000 and 1 April 2018: 1,00,00,00,000] Equity Shares of INR 10 each	100,000	100,000
Issued, subscribed and fully paid up 46,57,99,010 [31 March 2019: 46,57,99,010 and 1 April 2018: 46,57,99,010] Equity Shares of INR 10 each	46,580	46,580
	46,580	46,580

a) Reconciliation of number of shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	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

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	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	48,077,895	10.32	55,473,797	11.91
	345,020,872	74.07	352,416,774	75.66

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 2020	As at 31 March 2019
(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	2,100	-
(v) Retained Earnings	60,229	30,632
Total Surplus	683,238	651,541

(i) CAPITAL RESERVE

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	15,205	15,205
Add: Transfer from Retained Earnings	-	-
Less: Transferred to general reserve	-	-
Closing Balance	15,205	15,205

(ii) SECURITIES PREMIUM

Particulars	As at 31 March 2020	As at 31 March 2019
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 2020	As at 31 March 2019
Opening balance	553,527	553,527
Add: Transfer from Tonnage Tax Reserve (Utilised)	-	-
Closing Balance	553,527	553,527

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(iv) TONNAGE TAX RESERVE

Particulars	31 March 2020	31 March 2019
Opening balance	-	-
Less: Transfer to Tonnage Tax Reserve (Utilised)	-	-
Add: Transfer from Surplus in the Statement of Profit or Loss	2,100	-
Closing Balance	2,100	-

(v) RETAINED EARNINGS

Particulars	31 March 2020	31 March 2019
Opening balance	30,632	42,267
Add: Profit/(Loss) for the year	30,235	(12,199)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	1,462	564
<i>Adjustments:</i>		
Less: Tonnage Tax Reserve	2,100	-
Closing Balance	60,229	30,632

Retained earnings include accumulated OCI of ₹ 2486.28 lakhs (Previous year ₹ 1024.28 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: 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	31 March 2020		31 March 2019	
	Non Current	Current*	Non Current	Current*
Secured				
Term Loans:				
Rupee loans from banks	A	-	-	-
Foreign currency loans from banks	B	111,198	200,788	95,580
Total	C	111,198	200,788	95,580
Unsecured				
Term Loans:				
Rupee loans from banks	A	-	-	-
Foreign currency loans from banks	B	56,540	51,878	20,751
Total	C	56,540	51,878	20,751
Long-term borrowings		167,738	252,666	116,331

The Shipping Corporation of India Limited

NOTES TO STANDALONE 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	38,507	19,560	17,943	35,188
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Unsecured Loans	6,058	8,077	8,077	34,328

* 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 35.

NOTE 14(b): LEASE LIABILITIES

Particulars	31 March 2020		31 March 2019	
	Non Current	Current	Non Current	Current
Lease Liabilities	2,395	209	-	-
Total Lease Liabilities	2,395	209	-	-

NOTE 14(c): OTHER FINANCIAL LIABILITIES

Particulars	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non Current
Financial Liabilities at amortised cost				
Security Deposits	1,013	25	861	41
Current maturities of long-term debt	107,739	-	116,331	-
Interest accrued but not due on borrowings	2,511	-	3,939	-
Unpaid Dividend	-	-	-	-
Others				
Other Deposits payable	252	-	269	-
Employee related Liabilities	9,197	-	8,618	-
Others*	8,684	-	1,601	-
Total other financial liabilities	129,396	25	131,619	41

* Includes book overdraft of ₹ 7907 lakhs (Previous year ₹ 729 lakhs) for which reconciliation has been done.

NOTE 14(d): CURRENT BORROWINGS

Particulars	31 March 2020	31 March 2019
Unsecured		
from Banks repayable on demand		
Rupee loans from banks	-	-
Foreign currency loans from banks	198,642	158,748
Total current borrowings	198,642	158,748

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 2019	372,936	158,748	531,684
Cash flows	(116,325)	26,813	(89,512)
Foreign Exchange adjustments	22,805	13,081	35,886
Interest expense	14,492	6,197	20,689
Interest Paid	(15,920)	(6,197)	(22,117)
Net debt as at 31st March 2020	277,988	198,642	476,630

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 14(e): Trade payables

Particulars	31 March 2020	31 March 2019
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises; and	629	545
(b) total outstanding dues of creditors other than micro enterprises and small enterprises*	94,931	126,725
Total trade payables	95,560	127,270

* Significant Payable from related parties (refer note 30)

Disclosure requirement under MSMED Act, 2006

Particulars	31 March 2020	31 March 2019
(a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year;	629	545
(ii) the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	3	-
(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	3	-
(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.	3	-

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	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non Current
Employee Benefit Obligations				
Provision for leave encashment	263	5,159	360	5,483
Post Retirement Medical Scheme	217	1,338	239	873
	480	6,497	599	6,356
Other Provisions				
Insurance & cargo claims*	527	-	531	-
	527	-	531	-
Total	1,007	6,497	1,130	6,356

Short term provision	As at 31 st March 2019	Provided during the year	Utilised during the year	Amount reversed	As at 31 st March 2020
Other Provisions					
Insurance & cargo claims*	531	122	126	-	527
Total	531	122	126	-	527

* Represents provision of amount payable/borne by the Company against Insurance & cargo claims

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

NOTE 16: DEFERRED TAX LIABILITIES

Particulars	31 March 2020	31 March 2019
Deferred tax -upward valuation of PPE	7,450	9,073
Deferred tax -upward valuation of Financial Asset	81	80
Deferred Tax Liabilities(Net)	7,531	9,153

NOTE 17: OTHER CURRENT LIABILITIES

Particulars	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non Current
Deferred Trade Receivable (Contract Liability) (Refer Note no 33 for details)	1,238	-	688	-
Advances and Deposits	7,967	-	5,466	-
Others				
Statutory dues	2,896	-	1,639	-
Others Current Liabilities	47	-	42	-
Subsidy for Bangladesh-Myanmmar & Srilanka*	-	-	2,024	-
Total other current liabilities	12,148	-	9,859	-

*Ministry of Shipping provided subsidy of ₹ 19 crore in the financial year 2017-18 to SCI for running a direct shipping service from India to Bangladesh - Myanmar and Srilanka - Maldives. Action for chartering a vessel for running the service was deferred since SCI awaited direction from Ministry of Shipping to start the Service. During FY 2019-20, Ministry of Shipping directed SCI to refund the subsidy amount. Accordingly subsidy amount and interest earned from date of receipt of funds till date of refund was paid to Ministry of Shipping. Total amount refunded by SCI including interest is ₹ 20.53 Crores.

NOTE 18: LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	31 March 2020	31 March 2019
Other current liabilities*	22,346	20,504
Total Liabilities of disposal held for sale	22,346	20,504

*Refer Note No.11(a) for further details.

NOTE 19: REVENUE FROM OPERATIONS

Particulars	31 March 2020	31 March 2019
Freight	318,540	286,639
Charter Hire	82,445	65,310
Demurrage	17,126	14,508
Contract Revenue:		
Core shipping activities	102	376
Incidental activities	9,170	6,441
Reimbursement of expenses	10,639	10,298
Total	438,022	383,572

NOTE 20: OTHER OPERATING REVENUE

Particulars	31 March 2020	31 March 2019
Training & Consultancy fee	2,512	1,975
Sundry Receipts (Core)	327	1
Sundry Receipts (Incidental)	65	43
Recovery of Insurance & PI Claims	1,618	1,694
Total	4,522	3,713

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

NOTE 21: OTHER INCOME

Particulars	31 March 2020	31 March 2019
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	5,755	6,339
b) Loans to Employees	218	165
c) Loans to Joint Venture (Refer Note no. 30)	1,365	1,662
d) Others	780	879
Dividend From Mutual Fund	185	287
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	9,314	11,392
b) Sale of Other Fixed Assets	22	3
Profit on sale of investments	226	-
Profit on sale of bunker	153	457
Gain or Loss on Fair valuation of investment	12	232
Excess Provisions & Unclaimed Credit Written Back	6,212	1,778
Other Miscellaneous Income	53	29
Total	24,295	23,223

NOTE 22: COST OF SERVICES RENDERED

Particulars	31 March 2020	31 March 2019
Direct Operating Expenses :		
Agency Fees	1,164	1,281
Brokerage	1,281	2,286
Commission	236	379
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net)	17,198	16,906
Marine, Light And Canal Dues	42,224	42,543
Fuel Oil (Net)	112,125	110,212
Water Charges	347	440
Manning expenses	143	1,028
Honorarium & Training expenses	434	603
Hire Of Chartered Steamers	42,300	35,598
Other Indirect Operating Expenses		
Transfer And Repatriation And Other Benefits	218	170
Stores & Spares*	17,952	18,714
Sundry Steamer Expenses	2,615	3,526
Repairs And Maintenance and Survey Expenses	9,701	13,678
Insurance And Protection, Indemnity Club Fees & Insurance Franchise	7,887	5,932
Provision for Off Hire Etc.	-	-
Total	255,825	253,296

*Includes amount of ₹ Nil (Previous Year ₹ 803 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. The validity of SFIS licenses with SCI is expired in Apr'19. SCI have applied for extension of the validity date but same not accepted so far. Accordingly SCI could not use any of the credit in FY 2019-20. Hence the value for FY 19-20 is NIL.

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

NOTE 23: EMPLOYEE BENEFIT EXPENSE

Particulars	31 March 2020	31 March 2019
A) Floating Staff		
Wages, Bonus And Other Expenses On Floating Staff	25,736	25,319
Gratuity*	783	557
Contribution To Provident Fund	312	301
Staff Welfare Expenses	284	258
B) Shore Staff		
Salaries, Wages, Bonus etc	17,812	15,834
Gratuity*	102	45
Contribution To Provident Fund	1,086	1,067
Contribution To Pension	1,096	1,026
Staff Welfare Expenses**	144	110
C) Remuneration to Directors	299	240
Total	47,654	44,757

*Refer Note No. 31 for further details

**Includes amount of ₹ 129.03 lakhs (Previous Year ₹ 94.07 lakhs) amortisation of deferred employee cost as employee loans are measured at amortised cost.

NOTE 24: FINANCE COSTS

Particulars	31 March 2020	31 March 2019
Interest on:		
- Rupee loans	28	20
- Foreign currency loans	19,567	23,323
- Lease Liability	249	-
Exchange differences regarded as an adjustment to borrowing costs	15,476	11,319
Other borrowing costs*	1,093	1,243
Total	36,413	35,905

* Includes amount of ₹ 995.92 lakhs (Previous Year ₹ 1087.18 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 2020	31 March 2019
Depreciation on Property, plant and equipment	66,725	65,760
Depreciation on Right of Use Assets*	293	-
Amortisation of Intangible Assets	109	86
Total	67,127	65,846

*Refer Note no. 6 for further details.

NOTE 26: OTHER EXPENSES

Particulars	31 March 2020	31 March 2019
Power & Fuel	441	379
Rent	7	267
Repairs and Maintenance		
- Building	514	543
- Others	1,345	1,433
Insurance, Rates and Taxes	187	87

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Auditors' Remuneration (Detail in Note no 26(a))	61	68
Establishment Charges	2,165	2,215
Advertisement & Publicity	60	90
Legal & professional	182	385
Postage, Telephone Telegram & Telex	64	126
Printing & stationery	104	113
Training, Seminar & Conference Fee	23	23
Travel & Conveyance	361	578
Directors' Sitting Fees	15	21
Directors' Travel Expenses	22	32
Debts / Advances written off	2,782	986
Interest and Penalties	4	4
Bank Charges	255	263
Service tax ineligible for CENVAT	48	-
GST ineligible ITC	485	61
CSR Expenditure (Detail in Note no 26(b))	336	582
Net loss on Foreign Currency Transaction / Translation	16,180	6,403
Provisions		
Provision for Doubtful Debts and Advances	(839)	3,195
Foreign Taxation	30	49
Write off of Fixed Assets	242	191
Provision of Asset held for sale	(5)	95
Total	25,069	18,189

NOTE 26(a): DETAILS OF PAYMENTS TO AUDITORS

Particulars	31 March 2020	31 March 2019
Payment to auditors		
Statutory auditors		
a) Audit fees	32	32
b) Certification Work	27	32
c) Travelling & Out of Pocket Expenses	2	4
Total	61	68

NOTE 26(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	31 March 2020	31 March 2019
(i) Gross amount required to be spent by the Company during the year	88	420
(ii) Amount spent and paid during the year on		
(a) Construction/acquisition of any asset	109	211
(b) On purpose other than (a) above	227	371
Total	336	582

NOTE 27: EARNINGS PER SHARE

Particulars	31 March 2020	31 March 2019
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company (A)	30,235	(12,199)

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
(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
Basic and Diluted earnings per share attributable to the equity holders of the company (A/B) (in ₹)	6.49	(2.62)

NOTE 28: CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
I. Claims against the company not acknowledged as debts		
a) State Governments/ Local Authorities	2,001	1,835
b) CPSEs	1,437	1,402
c) Central Government Departments *		
a) Income Tax & Sales Tax	27,836	25,080
b) Service Tax @	157,939	268,101
c) Others	-	-
d) Others #	7,154	21,238
II. Guarantees given by the Banks		
On behalf of the company	5,571	3,047
On behalf of Joint Venture to the extent of the company's share	5,399	4,954
III. Undertaking cum Indemnity given by Company	6,516	6,516
IV. Bonds/Undertakings given by the Company to Customs Authorities	38,187	34,838
V. Corporate Guarantees/Undertakings		
a) In respect of Joint ventures	Nil	Nil
b) Others	3,684	4,432

(b) Contingent Assets

Particulars	As at 31 March 2020	As at 31 March 2019
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	358	545

(c) Commitments

Particulars	As at 31 March 2020	As at 31 March 2019
I. Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	4457	3,837
II. Uncalled liability on shares and other investments partly paid	Nil	Nil
III. Other Commitments in the form of equity share with JV's	Nil	Nil

* The contingent Liability includes cases decided in favour of SCI amounting to ₹ 14800 lakhs. Thereafter, department have gone in appeal.

@ Includes a sum of ₹ 71,282 lakhs as interest (previous year ₹ 105,137 lakhs).

Details of other Cases

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Sl. No	PARTICULARS	Brief Description	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
1	S Venkiteswaran - Chokhani Intl Ltd New Delhi-drydock of Dadabhai Naoroji	MT. D.B. Naoroji stemmed for drydock repairs with M/s. Chokhani International, Chennai during July 1997 with quoted repair period of 45 days and stemmed cost of INR 792.16 lakhs. The shipyard took total of 229 days i.e. 184 days in excess of quoted period. Since there were additional repairs which cropped up, after opening of machineries during drydock period, SCI allowed additional 66 days i.e. from SCI side total repair period is to be 111 days. Yard submitted invoices for INR 1736.56 lakhs in March 1998. Yard unwilling to accept delay in completion of repairs and relevant penalty due to delayed repair completion.	4,864	174	-	5,038
2	Mercuria v/s SCI MT Maharshi Parashruam	M.T Maharshi Parashuram was fixed on voyage charter on account of Mercuria Energy Trading Pte Ltd via C/P dated 20.01.2012. Vessel loaded cargo of Fuel Oil (380 CST). Vessel completed cargo loading on 12 th February 2012 and sailed for discharge port on 13 th February 2012. During loading at Vadinar (Essar Terminal), it was observed that main cargo leaked into slop tank (Starboard). The reason for the same as advised by Master was due to failure of mechanical Valve between Cargo Tanks and Slops Tank (Starboard).	35	3	-	38
3	M.V. Vishva Shakti (1995 case M/s. S.S. Jain vs SCI Ltd defendant)	M.V. Vishva Shakti - refund of EMD claimant has requested of EMD of ₹ 7 lakhs with interest at 24% p.a. which was forfeited by SCI for not fulfilling the terms & conditions of the tender.	24	1	-	25
4	M.V. Samrat Ashok (1997 case M/s. Chaudhary Ind vs SCI Ltd defendant)	M.V. Samrat Ashok - refund of EMD. The claimant had requested for refund of their EMD of ₹ 10 lakhs with interest thereon @ 16% p.a or at the highest rate on deposits by a Nationalised bank. The EMD was forfeited by SCI for not fulfilling the terms & conditions of tender.	32	1	-	33
5	M.T. C V Raman (2013 case SYMCOM IMPEX claimant directed SCI to show cause as to why the loss to Symcom leviable on SCI should not be recovered/demanded)	M.T. C V RAMAN show cause notice from SYMCOM IPEX PVT. LTD. MUMBAI The claimant had directed SCI to show causes as to why the LOSS TO SYMCOM leviable on the SCI should not be recovered / demanded.	80	-	-	80
6	Amsterdam Bridge (Explosion of cargo in ship) K line	Amsterdam Bridge (Explosion of cargo in ship) K line	14,526	-	14,526	-

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Sl. No	PARTICULARS	Brief Description	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
7	M/S N K Traders (2002 case)	Money claim against SCI for non-payment of party's bills of ₹ 29,91,871/- and the security deposit of ₹ 1,25,000/	84	4	-	88
8	Rabirun Vinimay vs A.L. Logistics & Ors. (SCI respondent no. 2) 2015 case	M/s. Rabirun Vinimay pvt ltd, had imported used plant & machinery from UK to Haldia as containerized shipments (SOC) through several shipping lines in Nov 2011. However consignee could not take delivery of cargo immediately as they could not obtain necessary clearance / permission from customs. Since the containers are SOC boxes, SCI's responsibility was only till landing of the containers at Haldia. A legal notice dated 09.04.2015 from the lawyers of M/s Rabirun Vinimay pvt.ltd in this context.	100	-	-	100
9	BL Transport & BL Shipping agencies & United India Ins Co ltd	Towards Repair cost of pay loader used for loading of barytee powder	32	16	-	48
10	Mr. Joseph Arputhanath	This case was closed on 30.11.2009 as the petition was disposed by the High Court, Chennai on 30.11.2009 directing the Petitioner (please fill up name & relation to SCI) to approach the National Maritime Board (NMB). As directed by the Hon'ble High Court, Petitioner has filed a petition against NMB-Rehabilitation Centre, which has declared that the petitioner is entitled to compensation amounting to ₹ 1,25,000/-.	10	-	-	10
11	S. Rajasekaran ERR-2 CDC NO	Seaman S. Rajasekaran signed Article on 20.09.1996 and was declared permanently unfit for sea service on 20.06.1997 after being diagnosed for Diabetes Mellitus with Parkinson by SCI Medical officer. The Seaman had challenged above decision and filed a Writ Petition 20941/2001 before Madras High Court.	22	-	-	22
12	Gopal Selvamani - vs - SCI	Shri Gopal Selvamani, ERPO-III was relieved of service after his sickness and diagnosis of cancerous tumor by our Medical Officer, which was challenged by him and Commissioner for Workman Compensation-II had awarded compensation of ₹ 55,251/-,	1	-	-	1
13	Mrs.Periyammal w/o late Narayana Muthuraja 2. Mallika D/O late Narayan	Narayana Muthuraja had travelled in SCI's passenger vessel m.v. Chidambaram, which arrived in Chennai on or about 12.02.1985. Vessel met with fire accident and in the accident Narayana Muthuraja died and SCI paid compensation of ₹ 10,000/- to the passenger's family on 29.04.1985 on humanitarian grounds. Later Mrs. Periammal, W/o Narayana Muthuraja and daughter Mallika filed a Civil Suit 1250 of 1988 claiming a sum of ₹ 1,30,000/- as death compensation.	10	-	-	10
14	Canteen Workers Lal Bavta	Lal Bavta Case (absorption of canteen contract worker)	625	95	-	720

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(All amounts in INR lakhs, unless otherwise stated)

Sl. No	PARTICULARS	Brief Description	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
15	Mr. Abdul Aziz Ibrahim Makani	"Mr Abdul had claim against the insurance company and SCI. And court had ordered that 50% should be given by insurance company and 50% by SCI the claim amount. Insurance company had paid the full amount to Mr Abdul and they had to claim 50 percent from SCI. But till date insurance company has not asked about the money."	1	-	-	1
16	Kolkata Technical Fleet Personnel	Compensation related Fleet personnel cases	137	62	-	199
17	OSV	Compensation cases of OSV fleet personnel	266	-	-	266
18	Disability cases - Officers	Disability compensation of Fleet personnel (Officer) cases.	43	-	20	23
19	Disability - Crew	Disability compensation of Fleet personnel (Crew) cases.	40	14	-	54
20	Death Cases	Death compensation cases of Fleet personnel	24	86	-	110
21	Misc	Fleet personnel miscellaneous cases	263	-	23	240
22	PF and Gratuity Cases	Compensation cases of wages, PF & Gratuity	-	29	-	29
23	Manning agent (Wage / PF / Gratuity)	Manning agent cases on wages, PF & Gratuity	19	-	-	19
Total			21,238	485	14,569	7,154

- (a) The Company's pending litigations comprise claims against the Company and proceedings pending with Tax / Statutory/ Government Authorities. After review of all its pending litigations and proceedings, the Company has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.
- (b) A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.
- (c) The company issued bonds of ₹ 38,187 lakhs to custom authorities [a(IV)] is mainly for duty free movement of Import/Export containers.

The movement of contingent liabilities from [I (a)] to [I (d)] under various categories is tabulated below.

Categories	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
a) State Governments/ Local Authorities	1,835	166	-	2,001
b) CPSEs	1,402	35	-	1,437
c) Central Government Departments				
a) Income Tax & Sales Tax	25,080	4,332	1,576	27,836
b) Service Tax	268,101	7,842	118,004	157,939
c) Others	-	-	-	-
d) Others	21,238	485	14,569	7,154
Total	317,656	12,860	134,149	196,367

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 29: Income taxes

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

(a) Deferred Tax

Particulars	31 March 2020	31 March 2019
Deferred tax relates to the following:		
Upward fair valuation of PPE	7,450	9,073
Deferred tax - upward valuation of Financial Asset	81	80
Net Deferred Tax Liabilities	7,531	9,153

(b) Movement in deferred tax liabilities

Particulars	31 March 2020	31 March 2019
Opening balance as of April 1	9,153	10,395
Tax income/(expense) during the period recognised in profit or loss	(1,622)	(1,242)
Closing balance as at March 31	7,531	9,153

(c) Income tax recognised in profit or loss

Particulars	31 March 2020	31 March 2019
Income tax expense		
Current tax		
Current tax on profits for the year	4,850	7,090
Tax pertaining to earlier years	154	-
Deferred tax	(1,622)	(1,242)
MAT Credit Entitlement	1,134	(1,134)
Income tax expense	4,516	4,714

(d) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2020	31 March 2019
Profit before income tax expense	34,751	(7,485)
Less: Income subject to tonnage taxation	8,849	(33,239)
Profit before tax, adjusted	25,902	25,754
Tax computed using applicable statutory tax rate	6,520	5,550
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of tonnage tax scheme	723	-
Difference in tax gains and book gains (Capital gains)	(2,346)	-
Tax pertaining to earlier years	154	-
Difference on a/c of Ind AS adoption	-	1,595
Exempt income - Dividend from mutual funds	(47)	(62)
MAT credit adjusted	1,134	(1,134)
Reversal of Deferred Tax Liability	(1,622)	(1,242)
Others	-	7
Income tax expense	4,516	4,714

Basis of applicable tax rate:

Normal Tax rate	22%	18.50%
Surcharge	10%	12%
Health and Education Cess	4%	4%
Applicable Tax rate	25.17%	21.55%

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

The Taxation Laws (Amendment) Act, 2019 has amended the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019 by inserting section 115BAA which provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions.

The Company has elected to exercise the option and has accordingly recognised Provision for Income Tax for the year ended March 31, 2020, reversed the accumulated MAT credit and re-measured the opening balance of Deferred Tax Liability as at April 01, 2019 at the lower tax rate prescribed in the said section.

This change has reduced provision for taxation by ₹ 1883 lakhs and deferred tax liability by ₹ 137 lakhs for the year ended March 31, 2020. Consequently, the Company had also reversed accumulated MAT credit ₹ 1134 lakhs. The overall impact of this change during the year ended 31st March 2020 has been recognised in the statement of profit and loss.

(e) Current tax liabilities

Particulars	31 March 2020	31 March 2019
Opening balance	-	-
Add: Current tax payable for the year	4,850	7,090
Less: Taxes paid	(4,850)	(7,090)
Closing balance	-	-

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.

(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) Pvt Ltd.
6. SAIL SCI Shipping Pvt. Ltd.

(d) Key Management Personnel

Executive Director

1. Capt Anoop Kumar Sharma (ceased to be on the Board of SCI w.e.f 11.09.2019)
2. Smt. H. K. Joshi {CMD w.e.f. 12.09.2019 and Director(Finance)}
3. Shri S. V. Kher (ceased to be on the board of SCI w.e.f. 30.09.2019)
4. Shri. Rajesh Sood
5. Smt. Sangeeta Sharma
6. Shri Surinder Pal Singh Jaggi
7. Shri Atul Ubale [joined SCI Board w.e.f 05.12.2019]
8. Shri Dipankar Haldar

Chief Financial Officer

1. Shri L C Serrao (w.e.f 05.02.2020)

Non Executive Director

1. Shri Shambhu Singh (ceased to be on the Board of SCI w.e.f 28.01.2020)
2. Shri Sanjay Kumar (joined SCI Board w.e.f 29.01.2020)
3. Shri Satinder Pal Singh
4. Shri Arun Balakrishnan (reappointed on the Board of SCI w.e.f 21.03.2019 and completed his tenure on 20.03.2020)

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

5. Shri Gautam Sinha
6. Shri P. Kanagasabapathi
7. Shri Raj Kishore Tewari
8. Shri Mavji Bhikhabhai Sorathia
9. Shri Vijay Tulshiramji Jadhao
10. Shri Pramod Kumar Panda (joined SCI Board w.e.f. 18.10.2019)

Key management personnel compensation

Name	Short-term employee benefits		Post-employment benefits		Long-term employee benefits		Employee share-based payment	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1. Shri A.K.Sharma	26	36	11	4	-	-	-	-
2. Smt H.K. Joshi	48	37	9	8	-	-	-	-
3. Shri S.V. Kher	43	40	4	7	-	-	-	-
4. Shri Rajesh Sood	44	31	7	6	-	-	-	-
5. Smt. Sangeeta Sharma	47	32	7	7	-	-	-	-
6. Shri Surinder Pal Singh Jaggi	37	31	7	6	-	-	-	-
7. Shri Atul Ubale	13	-	3	-	-	-	-	-
8. Shri Dipankar Halder	39	39	8	7	-	-	-	-
9. Shri L.C. Serrao	6	-	1	-	-	-	-	-
Total	303	246	57	45	-	-	-	-

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.

Other transactions with related parties

The following transactions occurred with related parties:

Nature of Transactions	31 March 2020	31 March 2019
Sitting Fees	14.8	21.2

(e) Transactions with JV's and Outstanding Balances are as follows:

Nature of Transactions	31 March 2020	31 March 2019
1) Interest Income during the year	1,365	1,352
2) Expenses Reimbursed during the year	50	33
3) Management & Accounting fees earned during the year	1,917	1,839
4) Guarantee fees received during the year	41	41
5) Investment made during the year	-	-
6) Loans realised during the year	991	2,811
7) Interest amount compounded in to principal during the year	1,094	33

Outstanding Balances	31 March 2020	31 March 2019
1) Investments	7,408	7,408
2) Loan Balances	24,122	22,034
3) Other Receivable	23	23
4) Payable on account of Ship	22,346	20,504

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(All amounts in INR lakhs, unless otherwise stated)

Outstanding Balances	31 March 2020	31 March 2019
5) Guarantees Given for JV's	5,399	4,954
6) Interest receivable	342	301
7) Expenses recoverable from JV's	10	10

(f) Transactions with Subsidiary and Outstanding Balances are as follows:

Nature of Transactions	31 March 2020	31 March 2019
Investment made during the year	-	-
Expenses incurred on behalf during the year	0.22	0.19

Outstanding Balances	31 March 2020	31 March 2019
Investment at the year end	5.00	5.00
Receivable as at year end	9.97	9.75

(g) Transactions with Government related entities

(1) 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 2020	31 March 2019
Indian Oil Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	45,585	32,692
Hindustan Petroleum Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	84,703	66,098
Bharat Petroleum Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	51,185	45,557
Oil And Natural Gas Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	20,247	12,938
Mangalore Refinery and Petrochemicals Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	26,455	19,213
Chennai Petroleum Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	14,086	12,340
Steel Authority Of India Ltd	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	19,257	17,528
Indian Oil Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	27,168	21,922
Hindustan Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	5,919	9,141
Cochin Shipyard	Central PSU	Repair/Drydock of vessel	10,953	10,447
The Oriental Insurance Co. Ltd	Central PSU	Insurance etc.	9,580	3,778
Oil And Natural Gas Corporation Limited	Central PSU	Recovery of Reimbursable expenses	27,916	33,030
Andaman & Nicobar Administration	A&N Admin	Recovery of Reimbursable expenses	16,962	15,641
Ministry of Earth Sciences	Ministry of Earth Sciences	Recovery of Reimbursable expenses	6,106	5,655
Geological Survey Of India	Ministry of Mines	Recovery of Reimbursable expenses	5,615	6,797

Government related entities along with description of relationship wherein significant amount of balance receivable/payable from/to related parties are as follows:

Name of related party	Relation	Nature of transaction	31 March 2020	31 March 2019
Hindustan Petroleum Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	9,092	4,852
Oil And Natural Gas Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	8,379	13,191
Bharat Petroleum Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	6,125	5,364
Indian Oil Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	5,458	3,664

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(All amounts in INR lakhs, unless otherwise stated)

Name of related party	Relation	Nature of transaction	31 March 2020	31 March 2019
Geological Survey Of India	Ministry of Mines	Trade Receivable/(Advance from customer)	1,534	5,648
Department of Fertilizers	Ministry of Fertilizers	Trade Receivable/(Advance from customer)	(162)	492
Nuclear Power Corporation	Central PSU	Trade Receivable/(Advance from customer)	131	(4)
Ministry of External affairs	Ministry of External affairs	Trade Receivable/(Advance from customer)	-	(4)
Andaman Lakshdeep Harbour works	Ministry of Surface transport	Trade Receivable/(Advance from customer)	2	(4)
Cochin Shipyard Limited	Central PSU	Trade Payable/(Advance to vendor)	9,974	11,551
Indian Oil Corporation Limited	Central PSU	Trade Payable/(Advance to vendor)	3,514	859
Cochin Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(288)	6,871
Vizag Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(652)	6,757
Kolkata Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(433)	1,589
Paradeep Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(362)	1,411
Balmer & Lawrie & Co. Ltd	Central PSU	Trade Payable/(Advance to vendor)	2	(7)
The Chairman CHPT	Trust under MPT Act	Trade Payable/(Advance to vendor)	(105)	(1)
The Oriental Insurance Co Ltd.	Central PSU	Trade Payable/(Advance to vendor)	28	(1)

(2) Other than Significant Transactions

Other than significant transactions carried out are as follows:

Particulars	31 March 2020	31 March 2019
Revenue	34,665	40,061
Purchases/services	34,481	34,232
Recovery of Reimbursable expenses	4,809	5,480

Other than significant amount of balance receivable/payable from/to related parties are as follows:

Particulars	31 March 2020	31 March 2019
Trade Receivable/(Advance from customers)	17,362	23,097
Trade Payable/(Advance to vendors)	3,569	17,553

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.

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(h) Trust

Transactions with Post Retirement Plans managed through separate trust wherein SCI having control :

Name of the related party	Nature of transaction	31 March 2020	31 March 2019
1. Shipping Corporation of India Employees Gratuity Fund	-	-	-
2. Post Retirement Medical Scheme for the Shore employees of The Shipping Corporation of India Limited	-	-	-
3. Provident Fund for the employees of The Shipping Corporation of India Limited	Employer's Contribution	1,249	1,215
4. SCI Employee Superannuation Trust	Employer's Contribution	1,090	1,062
5. Provident Fund for The Crew Non CDC holders of The Shipping Corporation of India Limited	-	-	-

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 employee's defined benefits plans in the form of Gratuity, leave encashment and post retirement Medical Scheme

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
01-Apr-18	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

The Shipping Corporation of India Limited

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
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) & (v)]	(197)	304	(501)
Closing Balance Sheet (Asset) / Liability as on 31 March 2019 [(ii) + (iii) + (v)]			(3,265)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31-Mar-19	12,446	15,711	(3,265)
Current service cost	757	-	757
Past service cost	-	-	-
Interest expense/(income)	916	1,137	(221)
Total amount recognised in profit and loss	1,673	1,137	536
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(243)	243
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	553	-	553
Experience (gains)/losses	(2,640)	-	(2,640)
(i) Amount recognised in other comprehensive income	(2,087)	(243)	(1,844)
Employer contributions			-
Benefit payments	(1,644)	(1,644)	-
Unrecognised Asset due to Limit in Para 64(b)	-	-	-
(ii) 31 March 2020	10,388	14,961	(4,573)
(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) & (v)]	(2,087)	(243)	(1,844)

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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
Closing Balance Sheet (Asset) / Liability as on 31 March 2020 [(ii) + (iii) + (v)]			(4,573)

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-20	31-Mar-19
Present value of funded obligations	10,388	12,446
Fair value of plan assets	14,961	15,711
Deficit of funded plan	(4,573)	(3,265)
Unfunded plans	-	-
Unrecognised Asset due to Limit in Para 64(b)		
Deficit of gratuity plan	(4,573)	(3,265)

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.69%	7.67%
Salary Escalation Rate-Shore Staff	7.80%	7.50%
Salary Escalation Rate-Floating Staff	9.00%	7.67%
Expected Return on Assets	6.69%	7.67%
Demographic Assumptions	31-Mar-20	31-Mar-19
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Withdrawal Rate	IALM (2012-14) Ultimate 0.50%	IALM (2012-14) Ultimate 0.50%
Retirement Age	60 years	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-20		31-Mar-19	
Defined Benefit Obligation (Base)	10388		10749	
Sensitivity Analysis	31-Mar-20		31-Mar-19	
Table 14 : Sensitivity Analysis	Decrease	Increase	Decrease	Increase
Discount Rate				
Impact of increase/decrease in 50 bps on DBO	320	372	633	695
Salary Growth Rate				
Impact of increase/decrease in 50 bps on DBO	313	355	500	550

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	31-Mar-19 to 31-Mar-20	31-Mar-18 to 31-Mar-19
Unrecognised Asset, Beginning of Period	-	-
Asset recognised during the year	-	-
Unrecognised Asset, End of Period	-	-

The above sensitivity analyses 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-20				31-Mar-19			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India Securities	9,895	-	9,895	66%	6,984	-	6,984	44%
Debt instruments								
Investment in Bonds	400	-	400	3%	1,893	-	1,893	12%
Other Assets including accrued interest	707	226	933	6%	670	330	1,000	6%
Investment in Deposits including Bank Balance	-	3,733	3,733	25%	-	5,834	5,834	37%
Total	11,002	3,959	14,961	100%	9,547	6,164	15,711	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 ₹ 894 lakh (Prev. period ₹ 1441 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:

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 11.24 years (2019 – 12.01 years).

(C) Leave Encashment (Unfunded)

Balance sheet amount (Leave Encashment)

Particulars	Present value of obligation
01-Apr-18	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-Mar-19	5,843

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(All amounts in INR lakhs, unless otherwise stated)

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

Particulars	Present value of obligation
31-Mar-19	5,843
Current service cost	450
Interest expense/(income)	452
Actuarial (Gain)/loss from change in financial assumptions	507
Actuarial (Gain)/loss from change in demographic assumptions	-
Actuarial - Experience (gains)/losses	593
Total amount recognised in profit and loss	2,002
Employer contributions	
Benefit payments*	(2,423)
31-Mar-20	5,422

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

The net liability disclosed above relates to unfunded plan are as follows:

Particulars	31-Mar-20	31-Mar-19
Present value of unfunded obligations	5,422	5,843
Deficit of leave encashment plan	5,422	5,843

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.69%	7.67%
Salary Escalation Rate-Shore Staff	7.80%	7.50%
Salary Escalation Rate-Floating Staff	9.00%	
Demographic Assumptions	31-Mar-20	31-Mar-19
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Withdrawal Rate	IALM (2012-14) Ultimate 0.50%	IALM (2012-14) Ultimate 0.50%
Retirement Age	60 years	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-20		31-Mar-19	
Defined Benefit Obligation (Base)	5,422		5,843	
Sensitivity Analysis	31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase
Discount Rate				
Impact of increase/decrease in 50 bps on DBO	211	178	344	309
Salary Growth Rate				
Impact of increase/decrease in 50 bps on DBO	231	220	249	238

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(All amounts in INR lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 11.24 years (2019 - 12.01 years).

The above sensitivity analyses 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
01-Apr-18	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)
<i>Remeasurements</i>			
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	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-Mar-19	2,083	971	1,112

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31-Mar-19	2,083	971	1,112
Past service cost	(17)		(17)
Interest expense/(income)	151	74	77
Total amount recognised in profit and loss	134	74	60
<i>Remeasurements</i>			
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	202	-	202
Experience (gains)/losses	75	(105)	180
Total amount recognised in other comprehensive income	277	(105)	382
Employer contributions	-	-	-
Benefit payments	(230)	(230)	-
31-Mar-20	2,264	710	1,554

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31-Mar-20	31-Mar-19
Present value of funded obligations	2,264	2,083
Fair value of plan assets	710	971
Deficit of funded plan	1,554	1,112
Deficit of Post Retirement Medical Benefit Scheme plan	1,554	1,112

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

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NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Financial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.69%	7.67%
Expected Return on Assets	6.69%	7.67%
Demographic Assumptions	31-Mar-20	31-Mar-19
Mortality Table	LIC (1996-98) Ult (Annuitant)	LIC (1996-98) Ult (Annuitant)
Timing Related Assumptions	Immediately on achieving normal retirement	
Time of Retirement		

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Sensitivity Analysis	31-Mar-20		31-Mar-19	
Defined Benefit Obligation (Base)	2,264		2,083	
Table 12 : Sensitivity Analysis	31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase
Discount Rate	86	(76)	44	39
Impact of increase/decrease in 50 bps on DBO				

The above sensitivity analyses 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:-

	31-Mar-20			
	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	-	670	670	94%
Other Assets including accrued interest	-	40	40	6%
Total	-	710	710	100%

Major category of plan assets are as follows:-

	31-Mar-19			
	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	-	970	970	100%
Other Assets including accrued interest	-	1	1	0%
Total	-	971	971	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.

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 10.76 years (2019 – 10.21 years).

The expected future cash flows as at 31.03.2020 are as follows :

Projected benefits payable in future years from the date of reporting

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Expected Contribution	Gratuity	Leave Encashment	PRMS
1 st following year	1,426	272	247
2 nd following year	749	322	273
3 rd following year	777	454	308
4 th following year	950	666	355
5 th following year	534	366	410
Years 6 to 10	3,451	2,608	1,432

The expected future cash flows as at 31.03.2019 are as follows :

Projected benefits payable in future years from the date of reporting

Expected Contribution	Gratuity	Leave Encashment	PRMS
1 st following year	1,839	373	225
2 nd following year	918	562	249
3 rd following year	802	509	281
4 th following year	782	502	324
5 th following year	1,054	672	373
Years 6 to 10	3,502	2,248	1,305

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.

(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.

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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 2020	31 March 2019
Liner	(13,131)	(8,960)
Bulk	(1,276)	3,277
Tanker	73,667	19,301
T&OS	7,412	(906)
Others	188	(171)
Unallocated	(3,813)	6,834
Total adjusted EBIT	63,047	19,375

Adjusted EBIT reconciles to profit before income tax as follows:

	31 March 2020	31 March 2019
Total adjusted EBIT	63,047	19,375
Finance costs :		
Liner	87	125
Bulk	3,718	4,788
Tanker	5,894	7,935
T&OS	1,967	2,546
Others	-	-
Unallocated	24,747	20,511
Total Finance costs	36,413	35,905
Interest income from investments	8,117	9,045
Profit before income tax from continuing operations	34,751	(7,485)

Depreciation included in adjusted EBIT

	31 March 2020	31 March 2019
Liner	2,115	1,889
Bulk	11,256	11,234
Tanker	46,679	44,619
T&OS	7,017	8,045
Others	61	59
Unallocated	(1)	-
Total Depreciation included in adjusted EBIT	67,127	65,846

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

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Segment	31 March 2020			31 March 2019		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	64,488	-	64,488	59,362	-	59,362
Bulk	57,034	-	57,034	58,603	-	58,603
Tanker	295,819	-	295,819	246,195	-	246,195
T&OS	28,706	-	28,706	22,832	-	22,832
Others	1,886	-	1,886	1,693	-	1,693
Total Segment Revenue	447,933	-	447,933	388,685	-	388,685
Unallocated	10,789	-	10,789	12,778	-	12,778
Total segment revenue as per profit and loss	458,722	-	458,722	401,463	-	401,463

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2020 and 31st March 2019 were as follows:

Revenue from external customers	31 March 2020			31 March 2019		
	Tanker segment	Liner Segment	Total	Tanker segment	Liner Segment	Total
Bharat Petroleum Corporation Ltd.	51,185	-	51,185	45,557	-	45,557
Hindustan Petroleum Corporation Ltd.	84,703	-	84,703	66,098	-	66,098
Indian Oil Corporation Ltd	44,699	885	45,584	31,902	790	32,692

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 2020	31 March 2019
India	373,996	320,733
Singapore	26,757	16,241
Other Countries	47,180	51,711
Total	447,933	388,685

(e) Segment assets

Segment	31 March 2020		31 March 2019	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	68,246	-	71,353	-
Bulk	172,212	-	176,108	-
Tanker	599,972	-	629,368	-
T & OS	121,393	-	128,530	-
Others	1,227	-	707	-
Total segment assets	963,050	-	1,006,066	-
Unallocated	410,262	-	409,401	-
Total assets as per the balance sheet	1,373,312	-	1,415,467	-

(f) Segment liabilities

	31 March 2020	31 March 2019
Liner	72,883	107,803
Bulk	73,172	110,458
Tanker	113,145	217,560

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	31 March 2020	31 March 2019
T & OS	43,110	72,281
Others	474	485
Total segment liabilities	302,784	508,587
Unallocated	340,710	208,759
Total liabilities as per the balance sheet	643,494	717,346

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 2020	31 March 2019
Revenue from Contract with Customers	375,853	335,634
Revenue from Other Sources		
Charter hire (lease)	82,445	65,309
Other income	8,541	9,565
Total Revenue	466,839	410,508

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segmentwise

Particulars	31 March 2020	31 March 2019
Liner	64,486	59,362
Bulk	38,552	35,232
Tanker	249,498	220,449
T&OS	11,065	6,640
Others	1,886	1,693
Unallocated	10,366	12,258
Total Revenue	375,853	335,634

(B) Revenue from Contract with Customers – Geographical Location

Particulars	31 March 2020			
	India	Singapore	Others	Total
Liner	57,888	355	6,243	64,486
Bulk	36,595	126	1,831	38,552
Tanker	218,650	8,047	22,801	249,498
T&OS	11,065	-	-	11,065
Others	1,886	-	-	1,886
Unallocated	355	22	9,989	10,366
Total Revenue	326,439	8,550	40,864	375,853

Particulars	31 March 2019			
	India	Singapore	Others	Total
Liner	49,845	331	9,186	59,362
Bulk	35,264	(62)	30	35,232
Tanker	187,943	4,791	27,715	220,449
T&OS	6,636	1	3	6,640
Others	1,329	-	364	1,693
Unallocated	(251)	-	12,509	12,258
Total Revenue	280,766	5,061	49,807	335,634

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C) On the basis of Timing of Revenue Recognition:

Particulars	31 March 2020		
	At Point in time	At Point over time	Total
Liner	150	64,336	64,486
Bulk	2,219	36,333	38,552
Tanker	19,507	229,991	249,498
T&OS	4,648	6,417	11,065
Others	45	1,841	1,886
Unallocated	11,084	(718)	10,366
Total Revenue	37,653	338,200	375,853

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	205,414	220,449
T&OS	270	6,370	6,640
Others	33	1,660	1,693
Unallocated	12,928	(670)	12,258
Total Revenue	31,980	303,654	335,634

Contract Asset

Particulars	31 March 2020	31 March 2019
Opening Balance of Contract Asset	33,968	26,597
Opening Balance reclassified as Trade Receivable in current period	33,052	25,545
Current year Contract Asset - Carried Forward	46,485	32,267
Closing Balance of Contract Asset	46,752	33,968

Contract Liability

Particulars	31 March 2020	31 March 2019
Opening Balance of Contract Liability	688	1,894
Revenue recognised from opening balance of Contract Liability	688	1,894
Current year Contract Liability - Carried Forward	1,238	688
Closing Balance of Contract Liability	1,238	688

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 7(e) includes contract balances. Impairment losses as disclosed in Note 38 includes receivables

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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: LEASE

The Company as lessee has agreements/contracts relating to charter in of vessel on time basis, land, building, Cars, Photocopier machine etc. The Company as lessor has entered into agreements/contracts of out charter of vessel on time, etc. The right-of-use and lease liability are disclosed in the financial statements at note no 6 & 14 (b) respectively. The Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The following table shows the effects of Leases in the Statement of the Profit and Loss in financial year 2019-20:

Amounts recognised in profit and loss	31 March 2020
Depreciation cost on right-of-use assets	293
Interest expenses (included in finance costs)	249
Expenses relating to service elements of leases	-
Expenses relating to short-term leases	7,489
Expenses relating to variable lease payments	-
Expenses relating to leases of low-value assets	-
Total recognised in operating costs	8,031

Total cash outflow impact for leases for the year 2019-20 was ₹ 340 lakhs, of which ₹ 224 lakhs relates to interest expense.

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 2020*	31 March 2019
Not later than 1 year	3,125	2,183
Later than 1 year and not later than 5 years	1,369	150
Later than 5 Years	2,392	30

*The lease payables include both interest and principal cash flows.

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 2020	31 March 2019
Not later than 1 year	38,469	19,777
Later than 1 year and not later than 5 years	23,243	9,485
Later than 5 Years	-	-

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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 2020	31 March 2019
Current			
Financial Assets			
Other bank balances	7(g)	8,553	8,434
Total current assets pledged as security		8,553	8,434
Non-current			
Financial Assets			
Non-current investments	7(a)	7,359	7,359
Non Financial Assets			
Property, Plant and Equipment	3	656,439	682,099
Total non-current assets pledged as security		663,798	689,458
Total assets pledged as security		672,351	697,892

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, 2020 and March 31, 2019. 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
March 31, 2020						
Financial assets						
i. Investments	7,726	-	7,726	-	-	7,726
ii. Trade receivables	60,623	-	60,623	-	-	60,623
iii. Cash and cash equivalents	24,478	-	24,478	-	-	24,478
iv. Bank balances other than (iii) above	69,299	-	69,299	-	8,553	60,746
v. Loans	26,821	-	26,821	-	-	26,821
vi. Other financial assets	56,329	-	56,329	-	-	56,329
Total	245,276	-	245,276	-	8,553	236,723
Financial liabilities						
i. Borrowings	366,380	-	366,380	-	-	366,380
ii. Lease Liabilities	2,604	-	2,604	-	-	2,604
iii. Trade payables						
Micro, Small and Medium Enterprises	629	-	629	-	-	629
Others	94,931	-	94,931	-	-	94,931
iv. Other financial liabilities	129,421	-	129,421	-	-	129,421
Total	593,965	-	593,965	-	-	593,965
March 31, 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

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(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	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
Financial liabilities						
i. Borrowings	411,414	-	411,414	-	-	411,414
ii. Lease Liabilities	-	-	-	-	-	-
iii. Trade payables						
Micro, Small and Medium Enterprises	545	-	545	-	-	545
Others	126,725	-	126,725	-	-	126,725
iv. Other financial liabilities	131,660	-	131,660	-	-	131,660
Total	670,344	-	670,344	-	-	670,344

Note 37: Fair value measurements

Financial instruments by category

	31 March 2020			31 March 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	362	-	-	350	-	-
- Mutual funds	-	-	-	-	-	-
Loans	-	-	26,821	-	-	24,417
Trade receivables	-	-	60,623	-	-	59,892
Cash and cash equivalents	-	-	24,478	-	-	9,538
Other bank balances	-	-	69,299	-	-	90,278
Bank deposits with more than 12 months maturity	-	-	-	-	-	-
Other financial assets	-	-	56,329	-	-	47,683
Total financial assets	362	-	237,550	350	-	231,808
Financial liabilities						
Borrowings	-	-	366,380	-	-	411,414
Lease Liabilities	-	-	2,604	-	-	-
Trade payables	-	-	95,560	-	-	127,270
Current maturities of long term debt	-	-	107,739	-	-	116,331
Other financial liabilities	-	-	21,682	-	-	15,329
Total financial liabilities	-	-	593,965	-	-	670,344

(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.

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Financial assets measured at fair value - recurring fair value measurements At 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Financial Investments at FVTPL</u>					
Mutual funds - Growth plan	7(d)	-	-	-	-
Mutual funds - Dividend plan	7(d)	-	-	-	-
Unquoted equity instruments - Woodland Speciality Hospital Ltd	7(a)	-	-	362	362
Total financial assets		-	-	362	362

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)	-	-	23,512	23,512
Loans to others	7(b)	-	-	1,896	1,896
Bank deposits	7(c)	-	-	-	-
Total financial assets		-	-	25,408	25,408
Financial Liabilities					
Borrowings	14(a)	-	275,477	-	275,477
Security deposits	14(c)	-	-	25	25
Total financial liabilities		-	275,477	25	275,502

Financial assets measured at fair value - recurring fair value measurements At 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Financial Investments at FVTPL</u>					
Mutual funds - Growth plan	7(d)	-	-	-	-
Mutual funds - Dividend plan	7(d)	-	-	-	-
Unquoted equity instruments - Woodland Speciality Hospital Ltd	7(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	7(b)	-	-	-	-
Loans to others	7(b)	-	-	1,562	1,562
Bank deposits	7(c)	-	-	-	-
Total financial assets		-	-	1,562	1,562
Financial Liabilities					
Borrowings	14(a)	-	368,997	-	368,997
Security deposits	14(c)	-	-	41	41
Total financial liabilities		-	368,997	41	369,038

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:

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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.

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 2020 and 31 March 2019:

Particulars	Unlisted Equity Securities
As at 1st April 2018	118
Gains(losses) recognised in Statement of profit or loss	232
As at 31 March 2019	350
Gains(losses) recognised in Statement of profit or loss	12
As at 31 March 2020	362

Particulars	Fair Value as at		Significant unobservable inputs	Sensitivity	
	31 March 2020	31 March 2019		2020	2019
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)*	362	350	Net book values	increase (decrease) in the book value would result in increase (decrease) in fair value	

* Net book value as on 31st March, 2020 is calculated based on latest available Financial Statements (i.e. 31st March 2019)

(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 2020		31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans to related parties	23,512	23,512	-	-
Loans to employee	1,896	1,896	1,562	1,562
Bank deposits	-	-	-	-

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Particulars	31 March 2020		31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Total financial assets	25,408	25,408	1,562	1,562
Financial Liabilities				
Borrowings	275,477	275,477	368,997	368,997
Security deposits	25	25	41	41
Total financial liabilities	275,502	275,502	369,038	369,038

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. Hence the current financial assets & liabilities have not been considered for Fair value hierarchy above.

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 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.

(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 2020	31 March 2019
Gross carrying amount of trade receivables	82,672	85,515
Less : Expected credit losses	8,469	10,940
Less : Provision made separately for bankrupt/terminated agents	1,059	4,255
Less : Other Provision (i.e. Off Hire, Demurrage, others)	12,521	10,428
Carrying amount of trade receivables (net of impairment)	60,623	59,892

The Shipping Corporation of India Limited

NOTES TO STANDALONE 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 2018	12,504
Changes in loss allowance	(1,564)
Loss allowance on 31st March 2019	10,940
Changes in loss allowance	(2,471)
Loss allowance on 31st March 2020	8,469

(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.

Contractual maturities of financial liabilities 31 March 2020	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	318,900	139,088	45,820	503,808
Trade payables	95,560	-	-	95,560
Lease Liabilities	3,125	1,369	2,392	6,886
Security and other deposits	1,013	25	-	1,038
Others financial liabilities	20,644	-	-	20,644
Total liabilities	439,242	140,482	48,212	627,936

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	127,270	-	-	127,270
Lease Liabilities	-	-	-	-
Security and other deposits	861	41	-	902
Others financial liabilities	14,427	-	-	14,427
Total liabilities	439,565	213,283	68,570	721,418

(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.

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(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 2020			31 March 2019		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Non Current Loans & Advances	23,512	-	-	-	-	-
Current assets	2,440	-	79	10,599	-	77
Current Loans & Advances	610	-	-	22,034	-	-
Cash and cash equivalents	801	748	1,290	2,017	729	386
Other Bank Balances	-	-	-	208	-	-
Trade Receivables	14,952	6,625	6,336	20,781	5,060	10,752
Exposure to foreign currency risk (assets)	42,315	7,373	7,705	55,639	5,789	11,215
Financial liabilities						
Long Term (Non-Current) Borrowings	167,738	-	-	252,666	-	-
Other current Liabilities	119,758	334	(69)	84,866	446	(504)
Short Term Borrowings	198,642	-	-	158,748	-	-
Trade Payables	21,315	5,494	8,941	57,628	1,927	9,364
Exposure to foreign currency risk (liabilities)	507,453	5,828	8,872	553,908	2,373	8,860
Liabilities directly associated with assets classified as held for sale	22,346	-	-	20,504	-	-
Total exposure to foreign currency risk (liabilities)	529,799	5,828	8,872	574,412	2,373	8,860

(b) Sensitivity

The following table details the Company's sensitivity to a 3% increase/ decrease in INR as against USD and 3% 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 2020	31 March 2019
USD sensitivity		
INR/USD - Increase by 3% (31 March 2019- 3%)	(14,625)	(15,563)
INR/USD - Decrease by 3% (31 March 2019- 3%)	14,625	15,563
EUR sensitivity		
INR/EUR - Increase by 3% (31 March 2019- 4%)	46	137
INR/EUR - Decrease by 3% (31 March 2019- 4%)	(46)	(137)

(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 2020	31 March 2019
Variable rate borrowings	475,282	529,906
Total borrowings at variable rate	475,282	529,906

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(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 2020	31 March 2019
Interest rates – increase by 100 basis points (100 bps)	(4,753)	(5,299)
Interest rates – decrease by 100 basis points (100 bps)	4,753	5,299

(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 2020	31 March 2019
Net Debt	275,477	368,997
Total Equity	729,818	698,121
Net debt to equity ratio	0.38	0.53

(b) Loan covenants

The company has 7 ECB Loan Agreements with 5 banks out of which 3 banks are having financial covenant of Debt Service Coverage Ratio (DSCR). One of the bank computes DSCR by adding unencumbered cash with EBIDTA hence required DSCR is met for that bank however for remaining two banks DSCR is not met during the Financial year 2019-20. The corporation is in the process of seeking waiver for the breach of the covenant on the ground that all the financial obligation have been met appropriately.

Note 40

On the basis of review of residual value of vessels, 2 PSV and 5 AHTS vessels are estimated to be having scrap value less than 5% of original cost. Therefore, residual value of 2 PSV and 5 AHTS vessels is reduced accordingly. Due to this change, depreciation for the year ended 31st March 2020 is higher by ₹ 19.19 lakhs and profit for the FY 2019-20 is lower by ₹ 19.19 lakhs. Due to the said change, depreciation expenses for the future period will be higher by approximate ₹ 19.19 lakhs every year.

Note 41

During the quarter ended 31st March, 2020, the Company sold its vessel MT. Maharaja Agrasen DWT 1,47,474. The Memorandum of Agreement (MOA) was signed with the buyer on 19.03.2020 and Instrument of Sale was released to the buyer on 26.03.2020. In view of the worldwide pandemic due to spread of Covid-19, Sri Lanka had imposed nationwide lock down and curfew, during which signing-off and landing of our crew in Sri Lankan territory was totally banned by the local authorities. Thereafter the physical delivery of the vessel to buyer finally took place on 27.04.2020 at Galle anchorage (Sri Lanka).

Note 42

C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of ₹ 11.03 crores for the FY 2014-15 with respect to two issues i.e. identification of Core and Non Core income as per DPE guidelines and observing "Bell Curve" approach in PRP calculation. Regarding identification of Core and Non Core income, the Company has taken the issue for deliberation in the Nomination and Remuneration Committee of the Board. The Committee has endorsed the stand taken by the Company on certain items and advised the Company to take the matter forward. Appropriate action shall be taken based on further developments in the matter.

The Shipping Corporation of India Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 43

The Covid -19 outbreak has affected the whole supply chain worldwide and has had severe impact with respect to political, social, economic and financial fronts as well. The Company has assessed the overall impact of the situation in March 2020 itself and had taken effective measures to minimise disruption to operations and ensure that the business remains viable during the virus outbreak and thereafter. Revenue of the Company for the year ended 31st March 2020 is not affected by pandemic Covid 19 as it started in late March 2020. However there was a sudden drop in the crude oil prices, which touched historically low levels. This led the Company to write down its inventories by ₹ 829.14 lakhs and corresponding impact is disclosed as expense in the Statement of Profit and Loss.

It is also further assessed that Covid-19 does not have any significant impact on Company Operations going forward. The Management based on its assessment has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 and hence, the Company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due. With system driven environment there has been no impact in the internal controls and reporting as well.

Note 44

During the year ended 31st March 2020, Department of Investment and Public Asset Management (DIPAM), Government of India vide its three separate letters no. F.No.7/4/2018-DIPAM-II-A dated 8th January 2020 has appointed the following respectively as Transaction Advisor, Legal Advisor and Asset Valuer for Strategic Disinvestment of SCI:

- i) M/s. RBSA Capital Advisors LLP ;
- ii) M/s. Luthra & Luthra Partners; and
- iii) M/s. Protocol Insurance Surveyors & Loss Assessors Pvt. Ltd.

Information sought by the three Advisors is being furnished by SCI.

Note 45

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 46

The Board of Directors, in its meeting held on May 29, 2020, has recommended a dividend of ₹ 0.75/- per equity share of face value of ₹10/- each for the financial year ended March 31, 2020. The equity dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting and has not been included as liability in these financial statements. The total outflow on this account is estimated to be ₹ 3493 lakhs.

Note 47

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.

For Note no. 1 to 47 of Standalone Financial Statements

As per our report of even date attached hereto.

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048

CA G Sankar
Partner
Membership No. 046050

CA Hemant J. Bhatt
Partner
Membership No. 036834

Mumbai, Dated the 29th May, 2020

For and on behalf of the Board of Directors,

Mr. Dipankar Halder
ED (LA & Company Secretary)

Mr. L. C. Serrao
Chief Financial Officer

Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl.charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of

The Shipping Corporation of India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

1. Opinion

We have audited the accompanying consolidated Ind AS financial statements of The Shipping Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its joint ventures, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended and notes to the Consolidated Ind AS Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS Financial Statements and on the other financial information of the subsidiary and joint ventures, the aforesaid consolidated Ind AS 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 accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group

and its joint ventures as at March 31, 2020, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and 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 on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Ind AS 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	<p><u>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" (revenue accounting standard)</u></p> <p>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, 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 Consolidated Financial Statements)</p>	<p>We assessed the Company's process to identify the impact of adoption of new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to Implementation of the 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: <ul style="list-style-type: none"> ✓ 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

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><u>Impairment testing of Fleets in line with the Ind AS 36</u></p> <p>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.</p> <p>The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place. The provision for impairment of fleets is identified as a Key Audit Matter as it involves significant management assumptions and judgment to assess the market conditions and other associated risks in assessment of provisions.</p>	<p>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.</p> <p>We have performed the following procedures for verification of impairment testing of Fleets:</p> <ul style="list-style-type: none"> 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.
3	<p><u>The direct access of certain overseas foreign agents to fund collected on account of freight and other charges.</u></p> <p>Liner division of the Company 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 the Company.</p> <p>The Company depends on its agents for operation of Liner segment business.</p> <p>Since all the activities are performed by the agents, there is requirement of funds & collection of income is done directly by agents and subsequently remitted to the Company. Therefore it involves a risk on the part of the Company and hence is identified as a Key Audit Matter.</p>	<p>We assessed the Company's process to evaluate Agents on timely basis to identify the impact of on the revenue and collection of funds.</p> <ul style="list-style-type: none"> The 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. The 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	<p><u>Evaluation of Dry Docking Cost & Repair Expenses of Vessels:-</u> As per Ind AS 16 'Property, Plant and Equipment', 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, when they meet the recognition criteria, i.e., 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.</p> <p>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.</p> <p>The dry docking cost and repairs expenses of vessels are considered as Key Audit Matter as it requires management judgment to assess future economic benefits from the expenditure incurred and the measurement of the cost.</p>	<p>To assess the recognition of dry docking cost & repair cost, we performed the following process:</p> <ul style="list-style-type: none"> 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.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
5	<p>Provisions for taxes and Contingent Liabilities</p> <p>The Company is involved in various taxes and other disputes for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgment and such judgment relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgment required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit.</p>	<p>Our audit procedure in response to this key Audit Matter included, among others,</p> <ul style="list-style-type: none"> • Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings. • Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases. • Inquiry with the legal and tax departments regarding the status of the most significant disputes and inspection of the key relevant documentation . • Analysis of opinion received from the experts where available. • Review of the adequacy of the disclosures in the notes to the Financial Statements. • We have observed that the provision for tax estimated as above including the deferred tax, has not resulted in material deviation from the applicable rate of tax after considering the exemptions, deductions and disallowances as per the provisions of the Income Tax Act.

Emphasis of Matter

We draw attention to the following matters in the notes to the consolidated Ind AS financial statements:

- (i) We draw attention to Note No. 42 to the Consolidated Ind AS Financial Statements, which states that the Comptroller and Auditor General of India ("C&AG") raised an observation relating to payment of Performance Related Pay (PRP) of Rs. 11.03 crores for the financial year 2014-15 with respect to two issues i.e. identification of Core and Non Core income as per DPE guidelines and observing "Bell Curve" approach in PRP calculation. Regarding identification of Core and Non Core income, the Company has taken the issue for deliberation in the Nomination and Remuneration Committee of the Board. The Committee has endorsed the stand taken by the Company on certain items and advised the Company to take the matter forward.
- (ii) We draw attention to Note No. 45 to the Consolidated Ind AS Financial Statements, which states that trade receivables, trade payables and deposits are subject to the balance confirmations, subsequent reconciliation and consequential adjustments, if any.

Our opinion is not modified in respect of these matters.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Consolidated Ind AS Financial Statements and our

auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report and the reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate

INDEPENDENT AUDITOR'S REPORT

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; the 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 Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures 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 joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 consolidated Ind AS 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 Holding Company and its subsidiary company, which are companies incorporated in India, have adequate internal financial controls with reference to 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 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS 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 entities within the Group and its joint ventures to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS Financial Statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS 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

INDEPENDENT AUDITOR'S REPORT

governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current year 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

(a) We did not audit the Ind AS financial statements of one subsidiary Company, whose Ind AS Financial Statements reflects total assets of Rs. 5.47 lakhs as at March 31, 2020, total revenues of Rs. 0.32 lakhs and net cash inflows amounting to Rs. 0.14 lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include Group's share of net profit of Rs. 2,203.55 lakhs for the year ended March 31, 2020, as considered in the Consolidated Ind AS Financial Statements, in respect of three joint ventures viz., ILT 1, 2 & 3, whose Ind AS Financial Statements have not been audited by us. These Ind AS Financial Statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary and joint ventures, is based solely on the reports of the other auditors.

All the joint ventures are located outside India whose Financial Statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The Consolidated Ind AS Financial Statements also include Group's share of net profit of Rs. 1,210 lakhs for the year ended March 31, 2020, as considered in the Consolidated Ind AS Financial Statements, in respect of one joint venture, whose Ind AS Financial Statements have not been audited by us. This Ind AS Financial Statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates

to the amounts and disclosures included in respect of this joint venture, and our report in terms of section 143 (3) of the Act, in so far as it relates to the aforesaid joint venture, is based solely on such unaudited Ind AS Financial Statements. In our opinion and according to the information and explanations given to us by the management, this Ind AS financial statements are not material to the Group including its joint ventures.

(c) The audit of Consolidated Ind AS Financial Statements for the year ended March 31, 2019, was carried out and reported by joint auditors, G. D. Apte & Co and A. Bafna & Co, vide their unmodified audit report dated May 28, 2019, whose report has been relied upon by us for the purpose of our audit of the Consolidated Ind AS Financial Statements.

Our opinion on the Consolidated Ind AS Financial Statements 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 and the Ind AS Financial Statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act and based on our audit, we report, to the extent applicable, 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 of the aforesaid Consolidated Ind AS Financial Statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
 - d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company being Government Companies, section 164 (2) related to disqualifications for appointment of directors are not applicable, in accordance with exceptions modifications and adaptations provided vide Notification

INDEPENDENT AUDITOR'S REPORT

- No. G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs (the "Notification") and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the subsidiary company is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure 1";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:
In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and the subsidiary company incorporated in India being Government Companies, section 197 of the Act related to the managerial remuneration are not applicable to in accordance with exceptions modifications and adaptations provided vide Notification No. G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs.
- h. 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer Note 28 to the consolidated Ind AS financial statements;
- (ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
2. As required under sub-section (5) of section 143 of the Act, in case of Holding Company and its subsidiary company being the Government Companies and its joint ventures not being Government Companies, whose financial statements have been consolidated, under the Act, we give in "Annexure 2" 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 V. Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W

G Sankar
Partner
Membership No.46050
UDIN: 20046050AAAADC9620

Place: Mumbai
Date: May 29, 2020

For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048

Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAABB5662

Place: Mumbai
Date: May 29, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of The Shipping Corporation of India Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of The Shipping Corporation of India Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 and the audit evidence obtained by the other auditor, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary company.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's internal financial control with reference to financial statements as at March 31, 2020:

- a) System for Monitoring and Clearing of Vendor Accounts (Including Agent Prefunding) should be done on timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

In our opinion, the Holding Company and the subsidiary company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements as of March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the internal financial controls with reference to financial statements of Holding Company and its subsidiary company were operating effectively as of March 31, 2020.

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 Consolidated Ind AS Financial Statements of the Holding Company for the year ended March 31, 2020 and these material weakness do not affect our opinion on the Consolidated Ind AS Financial Statements of the Holding Company.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

**For V. Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W**

**G Sankar
Partner
Membership No.46050
UDIN: 20046050AAAADC9620**

**Place: Mumbai
Date: May 29, 2020**

**For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048**

**Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAABB5662**

**Place: Mumbai
Date: May 29, 2020**

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Directions under Section 143(5) of the Companies Act, 2013

On the Accounts of The Shipping Corporation of India Limited for the year 2019-20

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 ₹ 4.67 Cr. is shown as receivable and provision for doubtful advances is created on the same.	No Impact
		b) The Company had received Ministry of Shipping subsidy of Rs.19 crores in the financial year 2017-18 provided for running direct shipping services between India to Bangladesh - Myanmar and Srilanka - Maldives. However, the Company awaited direction from Ministry to start the Service and hence action for in-chartering of the vessel was deferred by the Company. In financial year 2019-20, Ministry of Shipping directed to refund the Subsidy amount. Accordingly, subsidy and interest earned thereon from date of receipt of funds till date of refund amounting to ₹ 20.53 crores was transferred to Ministry of Shipping.	Impact

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of the Shipping Corporation of India Limited for the year 2019-20

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. 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).	No Impact
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

Sr. No.	Sub-directions	Auditors' comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
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, where money is payable to the agent, such balances are disclosed under the "Liability" head in the balance sheet, subject to reconciliation with Agents.	No Impact

**For V. Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W**

**G Sankar
Partner
Membership No.46050
UDIN: 20046050AAAADC9620**

**Place: Mumbai
Date: May 29, 2020**

**For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048**

**Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 20036834AAAABB5662**

**Place: Mumbai
Date: May 29, 2020**

The Shipping Corporation of India Limited

CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,062,764	1,111,656
Capital work-in-progress	4	284	763
Other intangible assets	5	146	253
Right-of-use asset	6	2,403	-
Investments accounted for using the equity method	6(a)	29,473	27,571
Financial assets			
i. Investments	7(a)	362	350
ii. Loans	7(b)	22,474	2,036
iii. Other financial assets	7(c)	7	7
Income Tax assets (net)	8	20,112	15,562
Other non-current assets	9	9,635	8,180
Total non-current assets		1,147,660	1,166,378
Current assets			
Inventories	10	13,138	15,979
Financial assets			
i. Investments	7(d)	-	-
ii. Trade receivables	7(e)	60,623	59,892
iii. Cash and cash equivalents	7(f)	24,478	9,538
iv. Bank balances other than (iii) above	7(g)	69,304	90,282
v. Loans	7(b)	791	22,381
vi. Other financial assets	7(c)	56,312	47,667
Other current assets	9	19,547	23,545
Assets classified as held for sale	11	7	7
Total current assets		244,200	269,291
Total assets		1,391,860	1,435,669
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	46,580	46,580
Other Equity	13	701,786	671,743
Total equity		748,366	718,323
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14(a)	167,738	252,666
ii. Lease Liabilities	14(b)	2,395	-
iii. Other financial liabilities	14(c)	25	41
Provisions	15	6,497	6,356
Deferred tax liabilities (net)	16	7,531	9,153
Total non-current liabilities		184,186	268,216

The Shipping Corporation of India Limited

CONSOLIDATED BALANCE SHEET

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
Current liabilities			
Financial liabilities			
i. Borrowings	14(d)	198,642	158,748
ii. Lease Liabilities	14(b)	209	-
iii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	14(e)	629	545
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	14(e)	94,931	126,725
iv. Other financial liabilities	14(c)	129,396	131,619
Other current liabilities	17	12,148	9,859
Provisions	15	1,007	1,130
Liabilities directly associated with assets classified as held for sale	18	22,346	20,504
Total current liabilities		459,308	2,648
Total liabilities		643,494	717,346
Total equity and liabilities		1,391,860	1,435,669

The accompanying notes no. 1 to 50 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048

Mr. Dipankar Haldar
ED (LA & Company Secretary)

Mr. L. C. Serrao
Chief Financial Officer

CA G Sankar
Partner
Membership No. 046050

CA Hemant J. Bhatt
Partner
Membership No. 036834

Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020



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 2020	Year ended 31 March 2019
Revenue from operations	19,20	442,544	387,285
Other income	21	24,295	23,224
Total Income		466,839	410,509
Expenses			
Cost of services rendered	22	255,825	253,296
Employee benefits expense	23	47,654	44,757
Finance costs	24	36,413	35,905
Depreciation and amortisation expense	25	67,127	65,846
Other expenses	26	25,070	18,189
Total expenses		432,089	417,993
Profit/(Loss) before exceptional items, share of net profits of investments accounted for using equity method and tax		34,750	(7,484)
Share of net profit of associates and joint ventures accounted for using equity method		3,414	5,932
Profit/(Loss) before exceptional items and tax		38,164	(1,552)
Exceptional items		-	-
Profit/(Loss) before tax		38,164	(1,552)
Tax expense	29		
Current tax		4,850	7,090
Tax pertaining to earlier years		154	-
Deferred tax		(1,622)	(1,242)
MAT Credit Entitlement		1,134	(1,134)
Total tax expense		4,516	4,714
Profit/(Loss) for the period		33,648	(6,266)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements gain/(loss) of defined benefit plans		1,462	564
Share of OCI of associates and joint ventures, net of tax		(5,068)	499
Other comprehensive income for the period, net of tax		(3,606)	1,063
Total comprehensive income for the period		30,042	(5,203)
Earnings per equity share	27		
(1) Basic earnings per share (in ₹)		7.22	(1.35)
(2) Diluted earnings per share (in ₹)		7.22	(1.35)

The accompanying notes no. 1 to 50 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048

CA G Sankar
Partner
Membership No. 046050

CA Hemant J. Bhatt
Partner
Membership No. 036834

For and on behalf of the Board of Directors,

Mr. Dipankar Halder
ED (LA & Company Secretary)

Mr. L. C. Serrao
Chief Financial Officer

Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020

The Shipping Corporation of India Limited

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(A) Cash Flow from operating activities		
Profit/(Loss) before income tax	38,164	(1,552)
Adjustments for		
Add:		
Depreciation and amortisation expenses	67,127	65,846
Finance costs	20,937	24,586
Bad debts and irrecoverable balances written off	2,782	986
Provision for doubtful debts	(839)	3,195
Write off of Fixed Assets	242	191
Provision of Asset held for sale	(5)	95
Foreign Currency Fluctuations	27,590	13,221
Less:		
Dividend received	(185)	(287)
Interest received	(8,116)	(9,046)
Share of profits of associates and joint ventures	(3,414)	(5,932)
Excess Provisions written back	(6,212)	(1,778)
Profit on sale of investment	(226)	-
Surplus on sale of fixed assets	(9,337)	(11,395)
Change in non-current investment due to fair valuation	(12)	(232)
Change in operating assets and liabilities		
(Increase)/Decrease in trade and Other Receivables	(7,565)	(17,876)
(Increase)/Decrease in inventories	2,841	(4,326)
(Increase)/Decrease in trade and other Payables/Provision	(18,612)	22,193
	105,160	77,889
Cash generated from operations		
Income taxes paid	(10,688)	(6,639)
Net cash inflow from operating activities (A)	94,472	71,250
(B) Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(10,450)	(27,866)
Sale proceeds of property, plant and equipment	11,844	16,050
Dividend received	185	287
Proceeds from sale of investments	226	5,605
Loan remitted / Recovery to/from employees and Joint venture	(488)	2,510
Other Deposits with banks	20,722	(3,095)
Advances and other Deposits	88	(738)
Interest received	9,792	8,490
Net cash inflow / (outflow) from investing activities (B)	31,919	1,243



The Shipping Corporation of India Limited

CONSOLIDATED CASH FLOW STATEMENT (All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
C Cash flow from financing activities		
Long term loans repaid	(116,325)	(117,798)
Long term loans borrowed	-	26,089
Short term loans borrowed/(repaid)	26,813	29,020
*Dividend on shares paid of earlier years and transfer to IEPF	-	(20)
Interest paid	(21,023)	(22,640)
Payment of Lease liability	(116)	-
Other financing costs	(1,318)	(1,243)
Net cash outflow from financing activities (C)	(111,969)	(86,592)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	14,422	(14,099)
Add: Changes in Bank balances (unavailable for use) *	257	(223)
Add: Cash and cash equivalents at the beginning of the financial year	9,538	24,178
Exchange difference on translation of foreign currency cash and cash equivalents	261	(318)
Cash and cash equivalents at the end of the year**	24,478	9,538
** Comprises of		
Balances with banks in current accounts	21,830	5,995
Balances with banks in deposits account with original maturity of less than three months	2,648	3,543
Total	24,478	9,538

*The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

The accompanying notes no. 1 to 50 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048

Mr. Dipankar Haldar
ED (LA & Company Secretary)

Mr. L. C. Serrao
Chief Financial Officer

CA G Sankar
Partner
Membership No. 046050

CA Hemant J. Bhatt
Partner
Membership No. 036834

Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755

Mumbai, Dated the 29th May, 2020

Mumbai, Dated the 29th May, 2020

The Shipping Corporation of India Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital (Refer note 12)	46,580
Balance as at 1 st April 2018	-
Changes in equity share capital	46,580
Balance as at 31 March 2019	-
Changes in equity share capital	46,580
Balance as at 31 March 2020	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	General Reserve	Other Reserves Tonnage Tax Reserve			
Balance as at 1 st April 2018		15,205	52,177	57,735	553,527	-	(1,296)	(402)	676,946
Profit for the year		-	-	(6,266)	-	-	(790)	1,289	(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	52,033	553,527	-	(2,086)	887	671,743
Profit for the year		-	-	33,648	-	-	(6,603)	1,536	33,648
Other Comprehensive Income for the year	31	-	-	1,462	-	-	(6,603)	1,536	(3,605)
Total Comprehensive Income for the year		-	-	35,110	-	-	(6,603)	1,536	30,043
Transfer to Tonnage tax reserve		-	-	(2,100)	-	-	-	-	(2,100)
Transfer from surplus in Statement of Profit & Loss account		-	-	-	-	2,100	-	-	2,100
Transfer to Tonnage tax reserve (utilised)		-	-	-	-	-	-	-	-
Transfer from Tonnage tax reserve		-	-	-	-	-	-	-	-
Transfer to Capital Reserve		-	-	-	-	-	-	-	-
Transfer to General Reserve		-	-	-	-	-	-	-	-
Dividend distribution tax paid		-	-	-	-	-	-	-	-
Balance as at 31 March 2020		15,205	52,177	85,043	553,527	2,100	(8,689)	2,423	701,786

The accompanying notes no. 1 to 50 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached hereto.

For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W
CA G Sankar
Partner
Membership No. 046050

For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048
CA Hemant J. Bhatt
Partner
Membership No. 036834

Mr. Dipankar Haldar
ED (LA & Company Secretary)

Mr. L. C. Serrao
Chief Financial Officer

For and on behalf of the Board of Directors,

Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl.charge
DIN - 07085755
Mumbai, Dated the 29th May, 2020

The Shipping Corporation of India Limited

Consolidated Financial Statement for the year ended 31 March 2020

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, LPG/LNG 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 29th May 2020.

Note 1: Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies applied are consistent with those of the previous financial years except for the adoption of Ind AS 116 – Leases w.e.f. April 1, 2019. 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 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 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 116 “Leases”**

The Group has implemented the Ind AS 116 “Leases” as notified by Ministry of Corporate Affairs on 30th March 2019 through the Companies (Indian Accounting Standard) Amendment Rules, 2019.

The Group has applied the standard w.e.f. accounting period commenced on or after April 1, 2019 to its Leases using the modified retrospective approach, therefore previous period comparative figures are not adjusted in the financial statements. This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Group discounted remaining lease payments using the lessee’s incremental borrowing rate as at 1st April 2019. The Group has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. The rights of use assets are depreciated on a straight line basis over a lease term.

The Group has therefore recognised a lease liability of ₹ 2640 lakhs and a corresponding ROU asset as at 1st April 2019. The impact of adopting Ind AS 116 on the Group’s financial results for the year ended 31st March 2020 is as follows:

1. Depreciation expense has increased by ₹ 293 lakhs due to amortisation of ROU asset.

The Shipping Corporation of India Limited

Consolidated Financial Statement for the year ended 31 March 2020

2. Finance cost has increased by ₹ 249 lakhs due to interest on outstanding lease liability.
3. Other expenses has been decreased by ₹ 340 lakhs due to recognition of lease liability and corresponding ROU asset.
4. The net impact on PBT amounts to a loss of ₹ 202 lakhs. The net impact of this adoption is not material on the earnings per share. The other amendments encompass various guidance and clarifications which affect disclosures. The disclosures of significant accounting reporting requirements and assumptions relating leases are provided in Note 6, 14(b), 24, 25 and 34.

In connection with the transition to the new standard, management has applied judgement and formed assumptions in relation to assessing the incremental borrowing rate, service components and extension options of leasing arrangements. Management has formed its judgements and assumptions based on historical experience, internal and external available information and data.

(ii) Ind AS 12 “Income Tax” - Uncertainty over income tax treatments

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019. The Rules amended Ind AS 12 – Uncertainty over income tax treatments. These amendments are applicable from 1 April 2019 onwards and the Group has applied this amendment w.e.f. accounting period commenced on or after April 1, 2019.

The principles of uncertain tax treatments are included in the scope of Ind AS 12 “Income taxes”. It clarifies the recognition and measurement for income tax when it is unclear whether a taxation authority will accept the tax treatment claimed. An uncertain tax position arises where there is more than one possible interpretation of how tax regulations apply to a given transaction or event. The interpretation requires the Group to determine whether uncertain tax treatments are assessed separately or as a group. The interpretation also requires an assumption that a taxation authority has full knowledge of all relevant information. Where it is not probable that a taxation authority will accept an uncertain tax treatment, it requires the Group to reflect the effect of the uncertainty in the accounting tax position. Finally, reassessment should be performed on a yearly basis in the event of changes in facts and circumstances. Management reviewed the features of the new interpretation, notably in terms of tax risks included in the scope of the interpretation. However, the implementation of the standard has no impact on accounts.

(iii) The Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019 and notified the following amendments (other than Ind AS 116 & amendment in Ind

AS 12 mentioned above) which were applicable for period beginning on 1st April 2019:

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

The Shipping Corporation of India Limited

Consolidated Financial Statement for the year ended 31 March 2020

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. from accounting period commencing on or after April 1, 2019. However, the adoption above amendments did not have any effect on the financial statements.

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 2020.

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 2019 to 31st March 2020 has been taken. Since, the India LNG Transport Company (No. 1, 2, 3, 4) are preparing audited financial statements following calendar year, The audited financial results of ILT 1, ILT 2 & ILT 3 and limited reviewed financial result of ILT 4 for the period January 2020 to March 2020 are added to January 2019 to December 2019 audited financial results whereas Unaudited financial results for the period Jan 2019 to March 2019 are deducted to arrive financial results for the period April 2019 to March 2020 of JV Companies.

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

The Shipping Corporation of India Limited

Consolidated Financial Statement for the year ended 31 March 2020

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 Rs. 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.

The Shipping Corporation of India Limited

Consolidated Financial Statement for the year ended 31 March 2020

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.

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.

1.6 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

The Shipping Corporation of India Limited

Consolidated Financial Statement for the year ended 31 March 2020

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 proceed

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.

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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 As per the newly introduced section 115BAA of the Act, with effect from the year ended 31st March 2020, all domestic companies shall have an option to pay income tax @ 22% [excluding surcharge and cess] or at the rate as applicable from time to time subject to conditions.

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 employee's 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

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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.

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are recognised on realisation, due to uncertainty in the amounts of their ultimate recovery

1.22 Leases

A contract or parts of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed.

Where the Group is the lessee in a lease arrangement at inception, the lease contracts are recognized as rights-of-use assets and lease liabilities are measured at present value of lease payments at initial recognition except for short-term leases and leases of low value. The rights of use assets are depreciated on a straight line basis over a lease term. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Payments associated with short-term leases and leases of low-value assets are recognised basis as an expense in profit & loss Account.

Where the Group is the lessor in a lease arrangement at inception, the lease arrangement will be classified as a finance lease or an operating lease. Classification is based on the extent to which the risks and rewards incidental to ownership of the underlying asset lie with the lessor or the lessee. Under operating lease, where the Group is the lessor, the assets are included in the balance sheet and, where applicable, are depreciated in accordance with the Group's depreciation policies as set out in Note 1.3 Property, plant and equipment. Revenue arising from assets leased out under operating leases is recognised on overtime basis.

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 Group 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 Group 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 Group 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.

b) Residual Value

Residual value is considered as 5% of original cost of Vessel. In case of other assets, the residual value, being negligible,

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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 2020, 2 PSV and 5 AHTS vessels are estimated to be having scrap value less than 5% of original cost. [Refer Note No. 40]

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 employment 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.

i) Leases

Lease contracts contain extension or termination options. Assessment of the exercise or non-exercise of such options impacts the value of right-of-use asset recognised. Such assessments are reviewed whenever a significant event or change in circumstances occurs.

For the purpose of calculating the present value, the interest rate implicit in the lease or an incremental borrowing rate is used as discount factor. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset. Determination of the incremental borrowing rate requires estimation.

Management has applied judgement and formed assumptions in relation to assessment of incremental borrowing rate, service components and extension options of leasing arrangements. Management has formed its judgements and assumptions based on historical experience, internal and external information and data available.

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(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 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 (Note11)	-	-	-	(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 accumulated depreciation (31 March 2018)	-	80	15	427,300	34,282	-	848	8	462,533
Depreciation charge for the year	-	28	5	47,787	17,689	-	250	1	65,760
Assets classified as held for sale (Note11)	-	-	-	(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
Year ended 31 March 2020									
Gross carrying amount									
Opening gross carrying amount (31 March 2019)	237,630	1,107	140	1,231,619	85,407	-	1,948	18	1,557,869
Additions	-	34	-	14,869	4,818	-	97	-	19,818
Disposals	-	-	-	(56,440)	(4,502)	-	(3)	-	(60,945)
Transfer	-	-	-	-	763	-	-	-	763
Closing gross carrying amount (31 March 2020)	237,630	1,141	140	1,190,048	86,486	-	2,042	18	1,517,505
Accumulated depreciation									
Opening accumulated depreciation (31 March 2019)	-	108	20	397,077	47,901	-	1,098	9	446,213
Depreciation charge for the year	-	29	5	48,032	18,477	-	180	1	66,724
Disposals	-	-	-	(53,965)	(4,228)	-	(3)	-	(58,196)
Closing accumulated depreciation (31 March 2020)	-	137	25	391,144	62,150	-	1,275	10	454,741
Net carrying amount (31 March 2020)	237,630	1,004	115	798,904	24,336	-	767	8	1,062,764

Notes:-

- (1) Additions to Fleet include ₹ 11,875 Lakhs (Previous year ₹ 19,743 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 which is on leasehold land (Previous year ₹ 134 lakhs)
- (3) Ownership Flats and Residential Buildings include: Cost of shares and bonds in Cooperative Societies/Company of face value ₹ 0.73 lakhs (Previous year ₹ 0.73 lakhs).
- (4) *Refer Note 35 for Fleet pledged with banks for Borrowings.

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(5) There is no significant property, plant and equipment as on 31st March 2020 which are fully depreciated and are still in use.

NOTE 4: CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2018	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2019	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2020
(A) Construction Work in Progress							
Asset under Construction excluding advance	781	763	781	763	284	763	284
(B) Construction Period Expenses							
a. Interest	-	-	-	-	-	-	-
b. Other directly attributable expenses	-	-	-	-	-	-	-
c. Exchange fluctuation	-	-	-	-	-	-	-
Total (A+B)	781	763	781	763	284	763	284

NOTE 5: INTANGIBLE ASSETS

Particulars	Computer Software	Total
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
Net carrying amount (31 March 2019)	253	253
Year ended 31 March 2020		
Gross carrying amount		
Opening gross carrying amount (31 March 2019)	1,623	1,623
Additions	2	2
Closing gross carrying amount (31 March 2020)	1,625	1,625
Accumulated amortisation		
Opening accumulated amortisation (31 March 2019)	1,370	1,370
Amortisation charge for the year	109	109
Closing accumulated amortisation (31 March 2020)	1,479	1,479
Net carrying amount (31 March 2020)	146	146

NOTE 6: RIGHT OF USE ASSET

Particulars	Land	Buildings	Fleet	Furniture, Fittings & Equipments	Moter Vehicles	Total
Year ended 31 March 2020						
Gross carrying amount						
Opening gross carrying amount (1 April 2019)	428	2,012	-	-	200	2,640
Additions	-	7	-	49	-	56
Closing gross carrying amount (31 March 2020)	428	2,019	-	49	200	2,696

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	Land	Buildings	Fleet	Furniture, Fittings & Equipments	Moter Vehicles	Total
Accumulated depreciation						
Opening accumulated depreciation (1 April 2019)	-	-	-	-	-	-
Depreciation charge for the year	42	177	-	5	69	293
Closing accumulated depreciation (31 March 2020)	42	177	-	5	69	293
Net carrying amount (31 March 2020)	386	1,842	-	44	131	2,403

Note 6(a): Investments accounted for using the equity method

Particulars	Face value	31 March 2020		31 March 2019	
		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 Euro	2908	11,646	2908	9,930
Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.	2.33 Euro	2908	11,541	2908	9,909
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd.	1 USD	2600	-	2600	-
Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Pvt Ltd.	1 USD	11036558	6,286	11036558	7,732
Total (equity instruments)			29,473		27,571

- (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.
- (C) 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.

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(All amounts in INR lakhs, unless otherwise stated)

Note 7: Financial assets

Note 7 (a): Non-current investments

Particulars	Face value	31 March 2020		31 March 2019	
		No. of shares/Units	Rupees in lakhs	No. of shares/Units	Rupees in lakhs
Investment in equity instruments (fully paid-up)					
Unquoted					
(i) 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. (Prev. yr. 60,000)	₹ 10	60000	362	60000	350
Total (equity instruments)			362		350
Total non-current investments			362		350
Aggregate amount of unquoted investments			5,362		5,350
Aggregate amount of impairment in the value of investments			5,000		5,000
Investments carried at fair value through Profit and Loss			362		350

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.

Note 7(b): Loans

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Considered good - Secured				
Loans to employees	181	1,896	347	1,562
Considered good - Unsecured				
Loans to related parties*	610	23,512	22,034	-
Less: Unabsorbed losses	-	3,556	-	-
	610	19,956	22,034	-
Security Deposits	-	622	-	474
Total loans	791	22,474	22,381	2,036

*This includes amount of ₹ 609.70 lakhs remitted by India LNG Transport Company (No. 4) Pvt. Ltd. on 31st March 2020 which credit was received by SCI on 01/04/2020.

The Shipping Corporation of India Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 7(c): Other financial assets

Particulars	31 March 2020		31 March 2019	
	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*	342	-	302	-
Bank deposits with more than 12 months maturity				
- Term Deposits	-	-	-	-
Income accrued on deposits/investments	1,380	-	2,986	-
Claim Recoverable	7,837	-	11,060	-
Unbilled Revenue (Contract Asset) (Refer Note no 33 for details)	46,752	-	33,968	-
Less: Provision for doubtful debts	-	-	(650)	-
	46,752	-	33,318	-
Others	1	7	1	7
Total other financial assets	56,312	7	47,667	7

*This includes amount of ₹ 266.94 lakhs and ₹ 8.36 lakhs remitted by India LNG Transport Co. (No. 3) Ltd. & India LNG Transport Company (No. 4) Pvt. Ltd. respectively on 31st March 2020 which credits were received by SCI on 01/04/2020.

Note 7(d): Current investments

Particulars	Face value	31 March 2020		31 March 2019	
		No. of Shares/Units	Rupees in lakhs	No. of Shares/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 USD	295,029	-	295,029	-
500 (Prev.yr. 500) shares of ₹ 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	-
16 (Prev.yr.16) shares of USD 1 each fully paid up of BISS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)**	1 USD	16	-	16	-
Total(Equity instruments)			-		-
Total current investments	-		-		
Aggregate amount of quoted investments and market value thereof	-		-		
Aggregate amount of unquoted investments	-		-		
Aggregate amount of impairment in the value of investments	-		-		
Investments carried at fair value through Profit and Loss	-		-		

* Jaladhi Shipping Services (India) Pvt Ltd is dissolved therefore shares of the company are not shown from FY 2019-20.

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

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(All amounts in INR lakhs, unless otherwise stated)

Note 7(e): Trade receivables

Particulars	31 March 2020	31 March 2019
Trade Receivable*	82,672	85,515
Less: Allowance for doubtful debts**	22,049	25,623
Total receivables	60,623	59,892
Current Portion	60,623	59,892
Non Current Portion	-	-

Break up of above details

Particulars	31 March 2020	31 March 2019
Considered good - Secured	7,710	8,474
Considered good - Unsecured	54,766	53,311
Trade Receivables which have significant increase in Credit Risk	19,138	20,124
Trade Receivables - credit impaired	1,058	3,606
Total	82,672	85,515
Allowance for doubtful debts	22,049	25,623
Total trade Receivables	60,623	59,892

*Significant Receivables from related parties (refer note 30)

** Refer Note no. 38 for further details

Note 7(f): Cash and cash equivalents

Particulars	31 March 2020	31 March 2019
Balances with banks		
- in current accounts	21,830	5,995
- in deposits account with original maturity of less than three months	2,648	3,543
Total cash and cash equivalents	24,478	9,538

Note 7(g): Bank balances other than cash and cash equivalents

Particulars	31 March 2020	31 March 2019
Margin money for Bank Guarantee	-	257
Other Deposits with banks*	69,304	90,025
Total Bank balances other than cash and cash equivalents	69,304	90,282

*Refer Note 35 for Deposits pledged with banks for Borrowings

*Fixed deposit includes unutilised funds of FPO as on 31st March 2020 is ₹ 13385 lakhs (as on 31st March 2019 is ₹ 13385 lakhs).

Note 8: Income Tax Assets(net)

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Income Tax Assets (Net of Provision)*	-	20,112	-	15,562
Income Tax Assets (Net)	-	20,112	-	15,562

* Refer Note no. 29 for further details

The Shipping Corporation of India Limited

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(All amounts in INR lakhs, unless otherwise stated)

Note 9: Other Assets

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
(a) Advances other than Capital Advances				
Advances to employees				
i) Secured, Considered Good	-	-	-	-
ii) Unsecured, Considered Good	495	-	647	-
	495	-	647	-
Less : Provision for Doubtful Advances	205	-	100	-
	290	-	547	-
Advances to Others				
i) Unsecured, Considered Good	8,952	-	9,892	-
ii) Unsecured, Considered Doubtful	1,519	-	1,638	-
	10,471	-	11,530	-
Less : Provision for Doubtful Advances	1,519	-	1,638	-
	8,952	-	9,892	-
(b) Others				
Excess - Gratuity Fund	-	4,573	-	3,265
Balances with statutory authorities				
- Cenvat Credit Receivables	95	-	95	-
- Service tax paid under Protest	-	3,122	-	3,100
- GST Receivable*	9,706	-	11,236	-
- Predeposit with Income Tax Department	-	974	-	974
	9,801	4,096	11,331	4,074
MAT Credit				
Opening	1,134	-	-	-
Add : Credit during the year	-	-	1,134	-
Less : MAT Credit Availed	-	-	-	-
Less : MAT Written off**	1,134	-	-	-
	-	-	1,134	-
Subsidy for Passenger service (Myanmmar)***	467	-	467	-
Less : Provision for Doubtful Advances	467	-	467	-
	-	-	-	-
Prepaid Expenses	503	-	640	-
Others	1	966	1	841
Total other assets	19,547	9,635	23,545	8,180

*As a prudent practice, the Group is taking Goods and Service Tax Credit in the Electronic Credit Ledger upon payment of the liabilities. Hence, there is a difference in the amount of credit appearing in books of accounts and the Electronic Credit Ledger of the respective states. Therefore, the balance in Input Tax Credit ledgers as on 31st March, 2020 will be progressively reviewed and availed for discharge of Goods and Service Tax liability payable by the Corporation.

** As per the newly introduced section 115BAA of the Act, with effect from the year ended 31st March 2020, all domestic companies shall have an option to pay income tax @22% subject to conditions. The effective tax rate for such companies shall be 25.17% [tax @22% plus surcharge @10% and 4% cess (on tax and surcharge)]. Further, such companies opting for reduced tax rate u/s 115BAA shall not be required to pay MAT. In view of the above, as SCI has opted for lower tax rate in FY 2019-20, the MAT credit of ₹ 1134 lakhs had to be written off.

*** 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.

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(All amounts in INR lakhs, unless otherwise stated)

Note 10: Inventories

Particulars	31 March 2020	31 March 2019
Fuel Oil*	13,138	15,979
Total inventories	13,138	15,979

*Write down inventories carried at NRV of ₹ 829.14 lakhs as on 31.03.2020 and recognised as expense.

Note 11: Assets classified as held for sale

Particulars	31 March 2020	31 March 2019
Fleet and Container held for Sale	90	95
Less: Impairment loss allowance	(90)	(95)
Investment held for Sale	-	-
1,00,000 (Prev.yr.1,00,000) shares of Rs 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	7

- 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 lakhs (Previous year ₹ 3 lakhs) 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 37).

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 (All amounts in INR lakhs, unless otherwise stated)

Note 12: Equity Share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised 1,00,00,00,000 [31 March 2019: 1,00,00,00,000 and 1 April 2018: 1,00,00,00,000] Equity Shares of INR 10 each	100,000	100,000
Issued, subscribed and fully paid up 46,57,99,010 [31 March 2019: 46,57,99,010 and 1 April 2018: 46,57,99,010] Equity Shares of INR 10 each	46,580	46,580
	46,580	46,580

a) Reconciliation of number of shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	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 2020		As at 31 March 2019	
	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	48,077,895	10.32	55,473,797	11.91
	345,020,872	74.07	352,416,774	75.66

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 company.

f) There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 13: Other Equity

Surplus

Particulars	As at 31 March 2020	As at 31 March 2019
(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	2,100	-
(V) Retained Earnings	85,043	52,033
Total surplus	708,052	672,942

(i) Capital reserve

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	15,205	15,205
Add: Transfer from Retained Earnings	-	-
Less: Transferred to general reserve	-	-
Closing Balance	15,205	15,205

(ii) Securities premium account

Particulars	As at 31 March 2020	As at 31 March 2019
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 2020	As at 31 March 2019
Opening balance	553,527	553,527
Add: Transfer from Tonnage Tax Reserve (Utilised)	-	-
Closing Balance	553,527	553,527

(iv) Tonnage Tax Reserve

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
Less: Transfer to Tonnage Tax Reserve (Utilised)	-	-
Add: Transfer from Surplus in the Statement of Profit or Loss	2,100	-
Closing Balance	2,100	-

(v) Retained Earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	52,033	57,735
Add: Profit/(Loss) for the year	30,234	(12,198)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements gain/(loss) of defined benefit plans	1,462	564

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Share of profits of associates and joint ventures, net of tax	3,414	5,932
<i>Adjustments:</i>		
Less: Tonnage Tax Reserve	2,100	-
Closing Balance	85,043	52,033

Retained earnings include accumulated OCI {Remeasurements gain/(loss) of defined benefit plans} of ₹ 2486.28 lakhs (Previous year ₹1024.28 lakhs)

Note 13(a): Other Surplus

Particulars	Cash Flow Hedging Reserve	Foreign currency translation reserve	Total other reserves
As at 1 April 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)
Share of OCI of associates and joint ventures, net of tax	(6,603)	-	(6,603)
Currency translation differences	-	1,536	1,536
As at 31 March 2020	(8,689)	2,423	(6,266)

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 2020		31 March 2019	
		Non Current	Current*	Non Current	Current*
Secured					
Term Loans:					
Rupee loans from banks	A	-	-	-	-
Foreign currency loans from banks	B	111,198	107,739	200,788	95,580
Total	C	111,198	107,739	200,788	95,580
Unsecured					
Term Loans:					
Rupee loans from banks	A	-	-	-	-
Foreign currency loans from banks	B	56,540	-	51,878	20,751
Total	C	56,540	-	51,878	20,751
Long-term borrowings		167,738	107,739	252,666	116,331

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(All amounts in INR lakhs, unless otherwise stated)

Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	38,507	19,560	17,943	35,188
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Unsecured Loans	6,058	8,077	8,077	34,328

* 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 35.

Note 14(b): Other financial liabilities

Particulars	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non-Current
Lease Liabilities	2,395	209	-	-
Total Lease Liabilities	2,395	209	-	-

Note 14(c): Other financial liabilities

Particulars	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non-Current
Financial Liabilities at amortised cost				
Security Deposits	1,013	25	861	41
Current maturities of long-term debt	107,739	-	116,331	-
Interest accrued but not due on borrowings	2,511	-	3,939	-
Unpaid Dividend	-	-	-	-
Others				
Other Deposits payable	252	-	269	-
Employee related Liabilities	9,197	-	8,618	-
Others*	8,684	-	1,601	-
Total other financial liabilities	129,396	25	131,619	41

* Includes book overdraft of ₹ 7907 lakhs (Previous year ₹ 729 lakhs) for which reconciliation has been done.

Note 14(d): Current borrowings

Particulars	31 March 2020	31 March 2019
Unsecured		
From Banks repayable on demand		
Rupee loans from banks	-	-
Foreign currency loans from banks	198,642	158,748
Total current borrowings	198,642	158,748

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 2019	372,936	158,748	531,684
Cash flows	(116,325)	24,360	(91,965)
Foreign Exchange adjustments	22,805	15,534	38,339
Interest expense	14,492	6,197	20,689
Interest Paid	(15,920)	(6,197)	(22,117)
Net debt as at 31st March 2020	277,988	198,642	476,630

Note 14(e): Trade payables

Particulars	31 March 2020	31 March 2019
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises; and	629	545
(b) total outstanding dues of creditors other than micro enterprises and small enterprises*	94,931	126,725
Total trade payables	95,560	127,270

* Significant Payable from related parties (refer note 30)

Disclosure requirement under MSMED Act, 2006

Particulars	31 March 2020	31 March 2019
(a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year;	629	545
(ii) the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	3	-
(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	3	-
(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.	3	-

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 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Employee Benefit Obligations				
Provision for leave encashment	263	5,159	360	5,483
Post Retirement Medical Scheme	217	1,338	239	873
	480	6,497	599	6,356

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Other Provisions				
Insurance & cargo claims*	527	-	531	-
	527	-	531	-
Total	1,007	6,497	1,130	6,356

Short term provision	As at 31 st March 2019	Provided during the year	Utilised during the year	Amount reversed	As at 31 st March 2020
Other Provisions					
Insurance & cargo claims*	531	122	126	-	527
	531	122	126	-	527

* Represents provision of amount payable/borne by the Group against Insurance & cargo claims

Note 16: Deferred Tax Liabilities

Particulars	31 March 2020	31 March 2019
Deferred tax -upward valuation of PPE	7,450	9,073
Deferred tax -upward valuation of Financial Asset	81	80
Deferred Tax Liabilities(Net)	7,531	9,153

Note 17: Other current liabilities

Particulars	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non-Current
Deferred Trade Receivable (Contract Liability) (Refer Note no 33 for details)	1,238	-	688	-
Advances and Deposits	7,967	-	5,466	-
Others				
Employee Related Liabilities	-	-	-	-
Statutory dues	2,896	-	1,639	-
Others Current Liabilities	47	-	42	-
Subsidy for Bangladesh-Myanmar & Srilanka*	-	-	2,024	-
Total other current liabilities	12,148	-	9,859	-

*Ministry of Shipping provided subsidy of ₹ 19 crore in the financial year 2017-18 to SCI for running a direct shipping service from India to Bangladesh- Myanmar and Srilanka - Maldives. Action for chartering a vessel for running the service was deferred since SCI awaited direction from Ministry of Shipping to start the Service. During FY 2019-20, Ministry of Shipping directed SCI to refund the subsidy amount. Accordingly subsidy amount and interest earned from date of receipt of funds till date of refund was paid to Ministry of Shipping. Total amount refunded by SCI including interest is ₹ 20.53 Crores.

Note 18: Liabilities directly associated with assets classified as held for sale

Particulars	31 March 2020	31 March 2019
Other current liabilities*	22,346	20,504
Total Liabilities of disposal held for sale	22,346	20,504

*Refer Note no. 11(a) for further details

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 19: Revenue from operations

Particulars	31 March 2020	31 March 2019
Freight	318,540	286,639
Charter Hire	82,445	65,310
Demurrage	17,126	14,508
Contract Revenue:		
Core shipping activities	102	376
Incidental activities	9,170	6,441
Reimbursement of Expenses	10,639	10,298
Total	438,022	383,572

Note 20: Other Operating Revenue

Particulars	31 March 2020	31 March 2019
Training & Consultancy fee	2,512	1,975
Sundry Receipts (Core)	327	1
Sundry Receipts (Incidental)	65	43
Recovery of Insurance & PI Claims	1,618	1,694
Total	4,522	3,713

Note 21: Other Income

Particulars	31 March 2020	31 March 2019
Interest on financial assets carried at amortised cost		
a) Fixed Deposits with Banks	5,755	6,340
b) Loans to Employees	218	165
c) Loans to Joint Venture (Refer Note no.30)	1,365	1,662
d) Others	780	879
Dividend From Mutual Fund	185	287
Other non operating income		
Profit on Sale of Fixed Assets		
a) Sale of Ships (Net)	9,314	11,392
b) Sale of Other Fixed Assets	22	3
Profit on sale of investments	226	-
Profit on sale of bunker	153	457
Gain or Loss on Fair valuation of investment	12	232
Excess Provisions & Unclaimed Credit Written Back	6,212	1,778
Other Miscellaneous Income	53	29
Total	24,295	23,224

Note 22: Cost of services rendered

Particulars	31 March 2020	31 March 2019
Direct Operating Expenses :		
Agency Fees	1,164	1,281
Brokerage	1,281	2,286
Commission	236	379

The Shipping Corporation of India Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net)	17,198	16,906
Marine, Light And Canal Dues	42,224	42,543
Fuel Oil (Net)	112,125	110,212
Water Charges	347	440
Manning expenses	143	1,028
Honorarium & Training expenses	434	603
Hire Of Chartered Steamers	42,300	35,598
Other Indirect Operating Expenses		
Transfer And Repatriation And Other Benefits	218	170
Stores & Spares*	17,952	18,714
Sundry Steamer Expenses	2,615	3,526
Repairs And Maintenance and Survey Expenses	9,701	13,678
Insurance And Protection, Indemnity Club Fees & Insurance Franchise	7,887	5,932
Provision for Off Hire Etc.	-	-
Total	255,825	253,296

*Includes amount of Rs Nil (Previous Year ₹ 803 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. The validity of SFIS licenses with SCI is expired in Apr'19. SCI have applied for extension of the validity date but same not accepted so far. Accordingly SCI could not use any of the credit in FY 2019-20. Hence the value for FY 19-20 is NIL.

Note 23: Employee benefit expense

Particulars	31 March 2020	31 March 2019
A) Floating staff		
Wages, Bonus and Other Expenses on Floating Staff	25,736	25,319
Gratuity*	783	557
Contribution to Provident Fund	312	301
Staff Welfare Expenses	284	258
B) Shore Staff		
Salaries, Wages, Bonus etc	17,812	15,834
Gratuity*	102	45
Contribution to Provident Funds	1,086	1,067
Contribution to Pension	1,096	1,026
Staff Welfare Expenses**	144	110
C) Remuneration to Directors	299	240
Total	47,654	44,757

*Refer Note no. 31 for further details.

**Includes amount of ₹ 129.03 lakhs (Previous Year ₹ 94.07 lakhs) amortisation of deferred employee cost as employee loans are measured at amortised cost.

Note 24: Finance costs

Particulars	31 March 2020	31 March 2019
Interest on:		
- Rupee loans	28	20
- Foreign currency loans	19,567	23,323

The Shipping Corporation of India Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
- Lease Liability	249	-
- Others	-	-
Exchange differences regarded as an adjustment to borrowing costs	15,476	11,319
Other borrowing costs*	1,093	1,243
Total	36,413	35,905

* Includes amount of ₹ 995.92 lakhs (Previous Year ₹ 1087.18 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 2020	31 March 2019
Depreciation on Property, plant and equipment	66,725	65,760
Depreciation on Right of Use Assets*	293	-
Amortisation of Intangible Assets	109	86
Total	67,127	65,846

*Refer Note no. 6 for further details.

Note 26: Other expenses

Particulars	31 March 2020	31 March 2019
Power & Fuel	441	379
Rent	7	267
Repairs and Maintenance		
- Building	514	543
- Others	1,345	1,433
Insurance, Rates and Taxes	187	87
Auditors' Remuneration (Detail in Note no 26(a))	61	68
Establishment Charges	2,165	2,215
Advertisement & Publicity	60	90
Legal & professional	183	385
Postage, Telephone Telegram & Telex	64	126
Printing & stationery	104	113
Training, Seminar & Conference Fee	23	23
Travel & Conveyance	361	578
Directors' Sitting Fees	15	21
Directors' Travel Expenses	22	32
Debts / Advances written off	2,782	986
Interest and Penalties	4	4
Bank Charges	255	263
Service tax ineligible for CENVAT	48	-
GST ineligible ITC	485	61

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
CSR Expenditure (Detail in Note no 26(b))	336	582
Net loss on Foreign Currency Transaction / Translation	16,180	6,403
Provisions		
Provision for Doubtful Debts and Advances	(839)	3,195
Foreign Taxation	30	49
Write off of Fixed Assets	242	191
Provision of Asset held for sale	(5)	95
Total	25,070	18,189

Note 26(a): Details of payments to auditors

Particulars	31 March 2020	31 March 2019
Payment to auditors		
Statutory auditors		
a) Audit fees	32	32
b) Certification Work	27	32
c) Travelling & Out of Pocket Expenses	2	4
Total	61	68

Note 26(b): Corporate social responsibility expenditure

Particulars	31 March 2020	31 March 2019
(i) Gross amount required to be spent by the Company during the year	88	420
(ii) Amount spent and paid during the year on		
(a) Construction/acquisition of any asset	109	211
(b) On purpose other than (a) above	227	371
Total	336	582

Note 27: Earnings per share

Particulars	31 March 2020	31 March 2019
(a) Basic and diluted earnings per share		
Profit attributable to the equity holders of the company (A)	33,648	(6,266)
(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
Basic and Diluted earnings per share attributable to the equity holders of the group (A/B) (in ₹)	7.22	(1.35)

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(All amounts in INR lakhs, unless otherwise stated)

NOTE 28: CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liabilities

Particulars		As at 31 March 2020	As at 31 March 2019
I.	Claims against the company not acknowledged as debts		
	a) State Governments/ Local Authorities	2,001	1,835
	b) CPSEs	1,437	1,402
	c) Central Government Departments *		
	a) Income Tax & Sales Tax	27,836	25,080
	b) Service Tax @	157,939	268,101
	c) Others	-	-
	d) Others #	7,154	21,238
II.	Guarantees given by the Banks		
	On behalf of the company	5,571	3,047
	On behalf of Joint Venture to the extent of the company's share	5,399	4,954
III.	Undertaking cum Indemnity given by Company	6,516	6,516
IV.	Bonds/Undertakings given by the Company to Customs Authorities	38,187	34,838
V.	Corporate Guarantees/Undertakings		
	a) In respect of Joint ventures	Nil	Nil
	b) Others	3,684	4,432

(b) Contingent Assets

Particulars		As at 31 March 2020	As at 31 March 2019
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	358	545

(c) Commitments

Particulars		As at 31 March 2020	As at 31 March 2019
I.	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	4457	3,837
II.	Uncalled liability on shares and other investments partly paid	Nil	Nil
III.	Other Commitments in the form of equity share with JV's	Nil	Nil

* The contingent Liability includes cases decided in favour of SCl amounting to ₹ 14800 lakhs. Thereafter, department have gone in appeal.
 @ Includes a sum of ₹ 71,282 lakhs as interest (previous year ₹ 105,137 lakhs).

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Details of other Cases

Sl. No	PARTICULARS	Brief Description	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
1	S Venkiteswaran - Chokhani Intl Ltd New Delhi-drydock of Dadabhai Naoroji	MT. D.B. Naoroji stemmed for drydock repairs with M/s. Chokhani International, Chennai during July 1997 with quoted repair period of 45 days and stemmed cost of INR 792.16 lakhs. The shipyard took total of 229 days i.e. 184 days in excess of quoted period. Since there were additional repairs which cropped up, after opening of machineries during drydock period, SCI allowed additional 66 days i.e. from SCI side total repair period is to be 111 days. Yard submitted invoices for INR 1736.56 lakhs in March 1998. Yard unwilling to accept delay in completion of repairs and relevant penalty due to delayed repair completion.	4,864	174	-	5,038
2	Mercuria v/s SCI MT Maharshi Parashruam	M.T Maharshi Parashuram was fixed on voyage charter on account of Mercuria Energy Trading Pte Ltd via C/P dated 20.01.2012. Vessel loaded cargo of Fuel Oil (380 CST). Vessel completed cargo loading on 12 th February 2012 and sailed for discharge port on 13 th February 2012. During loading at Vadinar (Essar Terminal), it was observed that main cargo leaked into slop tank (Starboard). The reason for the same as advised by Master was due to failure of mechanical Valve between Cargo Tanks and Slops Tank (Starboard).	35	3	-	38
3	M.V. Vishva Shakti (1995 case M/s. S.S. Jain vs SCI Ltd defendant)	M.V. Vishva Shakti - refund of EMD claimant has requested of EMD of ₹ 7 lakhs with interest at 24% p.a. which was forfeited by SCI for not fulfilling the terms & conditions of the tender.	24	1	-	25
4	M.V. Samrat Ashok (1997 case M/s. Chaudhary Ind vs SCI Ltd defendant)	M.V. Samrat Ashok - refund of EMD. The claimant had requested for refund of their EMD of ₹ 10 lakhs with interest thereon @ 16% p.a or at the highest rate on deposits by a Nationalised bank. The EMD was forfeited by SCI for not fulfilling the terms & conditions of tender.	32	1	-	33
5	M.T. C V Raman (2013 case SYMCOM IMPEX claimant directed SCI to show cause as to why the loss to Symcom leviable on SCI should not be recovered/demanded)	M.T. C V RAMAN show cause notice from SYMCOM IPEX PVT. LTD. MUMBAI The claimant had directed SCI to show causes as to why the LOSS TO SYMCOM leviable on the SCI should not be recovered / demanded.	80	-	-	80

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Sl. No	PARTICULARS	Brief Description	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
6	Amsterdam Bridge (Explosion of cargo in ship) K line	Amsterdam Bridge (Explosion of cargo in ship) K line	14,526	-	14,526	-
7	M/S N K Traders (2002 case)	Money claim against SCI for non-payment of party's bills of ₹ 29,91,871/- and the security deposit of ₹ 1,25,000/	84	4	-	88
8	Rabirun Vinimay vs A.L. Logistics & Ors. (SCI respondent no. 2) 2015 case	M/s. Rabirun Vinimay pvt ltd, had imported used plant & machinery from UK to Haldia as containerized shipments (SOC) through several shipping lines in Nov 2011. However consignee could not take delivery of cargo immediately as they could not obtain necessary clearance / permission from customs. Since the containers are SOC boxes, SCI's responsibility was only till landing of the containers at Haldia. A legal notice dated 09.04.2015 from the lawyers of M/s Rabirun Vinimay pvt.ltd in this context.	100	-	-	100
9	BL Transport & BL Shipping agencies & United India Ins Co ltd	Towards Repair cost of pay loader used for loading of barytee powder	32	16	-	48
10	Mr. Joseph Arputhanath	This case was closed on 30.11.2009 as the petition was disposed by the High Court, Chennai on 30.11.2009 directing the Petitioner (please fill up name & relation to SCI) to approach the National Maritime Board (NMB). As directed by the Hon'ble High Court, Petitioner has filed a petition against NMB-Rehabilitation Centre, which has declared that the petitioner is entitled to compensation amounting to ₹ 1,25,000/-.	10	-	-	10
11	S. Rajasekaran ERR-2 CDC NO	Seaman S. Rajasekaran signed Article on 20.09.1996 and was declared permanently unfit for sea service on 20.06.1997 after being diagnosed for Diabetes Mellitus with Parkinson by SCI Medical officer. The Seaman had challenged above decision and filed a Writ Petition 20941/2001 before Madras High Court.	22	-	-	22
12	Gopal Selvamani - vs - SCI	Shri Gopal Selvamani, ERPO-III was relieved of service after his sickness and diagnosis of cancerous tumor by our Medical Officer, which was challenged by him and Commissioner for Workman Compensation-II had awarded compensation of ₹ 55,251/-,	1	-	-	1
13	Mrs.Periyammal w/o late Narayana Muthuraja 2. Mallika D/O late Narayan	Narayana Muthuraja had travelled in SCI's passenger vessel m.v. Chidambaram, which arrived in Chennai on or about 12.02.1985. Vessel met with fire accident and in the accident Narayana Muthuraja died and SCI paid compensation of ₹ 10,000/- to the passenger's family on 29.04.1985 on humanitarian grounds. Later Mrs. Periammal, W/o Narayana Muthuraja and daughter Mallika filed a Civil Suit 1250 of 1988 claiming a sum of ₹ 1,30,000/- as death compensation.	10	-	-	10

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(All amounts in INR lakhs, unless otherwise stated)

Sl. No	PARTICULARS	Brief Description	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
14	Canteen Workers Lal Bavta	Lal Bavta Case (absorption of canteen contract worker)	625	95	-	720
15	Mr. Abdul Aziz Ibrahim Makani	"Mr Abdul had claim against the insurance company and SCI. And court had ordered that 50% should be given by insurance company and 50% by SCI the claim amount. Insurance company had paid the full amount to Mr Abdul and they had to claim 50 percent from SCI. But till date insurance company has not asked about the money."	1	-	-	1
16	Kolkata Technical Fleet Personnel	Compensation related Fleet personnel cases	137	62	-	199
17	OSV	Compensation cases of OSV fleet personnel	266	-	-	266
18	Disability cases - Officers	Disability compensation of Fleet personnel (Officer) cases.	43	-	20	23
19	Disability - Crew	Disability compensation of Fleet personnel (Crew) cases.	40	14	-	54
20	Death Cases	Death compensation cases of Fleet personnel	24	86	-	110
21	Misc	Fleet personnel miscellaneous cases	263	-	23	240
22	PF and Gratuity Cases	Compensation cases of wages, PF & Gratuity	-	29	-	29
23	Manning agent (Wage / PF / Gratuity)	Manning agent cases on wages, PF & Gratuity	19	-	-	19
Total			21,238	485	14,569	7,154

(a) The Company's pending litigations comprise claims against the Company and proceedings pending with Tax / Statutory/ Government Authorities. After review of all its pending litigations and proceedings, the Company has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

(b) A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

(c) The company issued bonds of ₹ 38,187 lakhs to custom authorities [a(IV)] is mainly for duty free movement of Import/Export containers.

The movement of contingent liabilities from [I (a)] to [(I (d)] under various categories is tabulated below.

Categories	As at 31 st March, 2019	Addition	Deletion	As at 31 st March, 2020
a) State Governments/ Local Authorities	1,835	166	-	2,001
b) CPSEs	1,402	35	-	1,437
c) Central Government Departments				
a) Income Tax & Sales Tax	25,080	4,332	1,576	27,836
b) Service Tax	268,101	7,842	118,004	157,939
c) Others	-	-	-	-
d) Others	21,238	485	14,569	7,154
Total	317,656	12,860	134,149	196,367

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(All amounts in INR lakhs, unless otherwise stated)

Note 29: Income taxes

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

(a) Deferred Tax

Particulars	31 March 2020	31 March 2019
Deferred tax relates to the following:		
Upward fair valuation of PPE	7,450	9,073
Deferred tax -upward valuation of Financial Asset	81	80
Net Deferred Tax Liabilities	7,531	9,153

(b) Movement in deferred tax liabilities

Particulars	31 March 2020	31 March 2019
Opening balance as of April 1	9,153	10,395
Tax income/(expense) during the period recognised in profit or loss	(1,622)	(1,242)
Closing balance as at March 31	7,531	9,153

(c) Income tax recognised in profit or loss

Particulars	31 March 2020	31 March 2019
Income tax expense		
Current tax		
Current tax on profits for the year	4,850	7,090
Tax pertaining to earlier years	154	-
Deferred tax	(1,622)	(1,242)
MAT Credit Entitlement	1,134	(1,134)
Income tax expense	4,516	4,714

(d) The reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2020	31 March 2019
Profit before income tax expense	34,750	(7,484)
Less: Income subject to tonnage taxation	8,849	(33,239)
Profit before tax, adjusted	25,901	25,755
Tax computed using applicable statutory tax rate	6,520	5,550
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Impact of tonnage tax scheme	723	-
Difference in tax gains and book gains (Capital gains)	(2,346)	-
Tax pertaining to earlier years	154	-
Difference on a/c of Ind AS adoption	-	1,595
Exempt income - Dividend from mutual funds	(47)	(62)
MAT credit adjusted	1,134	(1,134)
Reversal of Deferred Tax Liability	(1,622)	(1,242)
Others	-	7
Income tax expense	4,516	4,714

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Basis of applicable tax rate :

Normal Tax rate	22%	18.50%
Surcharge	10%	12%
Health and Education Cess	4%	4%
Applicable Tax rate	25.17%	21.55%

The Taxation Laws (Amendment) Act, 2019 has amended the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019 by inserting section 115BAA which provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions.

The Company has elected to exercise the option and has accordingly recognised Provision for Income Tax for the year ended March 31, 2020, reversed the accumulated MAT credit and re-measured the opening balance of Deferred Tax Liability as at April 01, 2019 at the lower tax rate prescribed in the said section.

This change has reduced provision for taxation by ₹ 1883 lakhs and deferred tax liability by ₹ 137 lakhs for the year ended March 31, 2020. Consequently, the Company had also reversed accumulated MAT credit ₹ 1134 lakhs. The overall impact of this change during the year ended 31st March 2020 has been recognised in the statement of profit and loss.

(e) Current tax liabilities

Particulars	31 March 2020	31 March 2019
Opening balance	-	-
Add: Current tax payable for the year	4,850	7,090
Less: Taxes paid	(4,850)	(7,090)
Closing balance	-	-

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.

(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) Pvt Ltd.
6. SAIL SCI Shipping Pvt. Ltd.

(d) Key Management Personnel

Executive Director

1. Capt Anoop Kumar Sharma (ceased to be on the Board of SCI w.e.f 11.09.2019)
2. Smt. H. K. Joshi {CMD w.e.f. 12.09.2019 and Director(Finance)}
3. Shri S. V. Kher (ceased to be on the board of SCI w.e.f. 30.09.2019)
4. Shri. Rajesh Sood
5. Smt. Sangeeta Sharma
6. Shri Surinder Pal Singh Jaggi
7. Shri Atul Ubale [joined SCI Board w.e.f 05.12.2019]
8. Shri Dipankar Haldar

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(All amounts in INR lakhs, unless otherwise stated)

Chief Financial Officer

1. Shri L C Serrao (w.e.f 05.02.2020)

Non Executive Director

1. Shri Shambhu Singh (ceased to be on the Board of SCI w.e.f 28.01.2020)
2. Shri Sanjay Kumar (joined SCI Board w.e.f 29.01.2020)
3. Shri Satinder Pal Singh
4. Shri Arun Balakrishnan (reappointed on the Board of SCI w.e.f 21.03.2019 and completed his tenure on 20.03.2020)
5. Shri Gautam Sinha
6. Shri P. Kanagasabapathi
7. Shri Raj Kishore Tewari
8. Shri Mavji Bhikhabhai Sorathia
9. Shri Vijay Tulshiramji Jadhao
10. Shri Pramod Kumar Panda (joined SCI Board w.e.f. 18.10.2019)

Key management personnel compensation

Name	Short-term employee benefits		Post-employment benefits		Long-term employee benefits		Employee share-based payment	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1. Shri A.K.Sharma	26	36	11	4	-	-	-	-
2. Smt H.K. Joshi	48	37	9	8	-	-	-	-
3. Shri S.V. Kher	43	40	4	7	-	-	-	-
4. Shri Rajesh Sood	44	31	7	6	-	-	-	-
5. Smt. Sangeeta Sharma	47	32	7	7	-	-	-	-
6. Shri Surinder Pal Singh Jaggi	37	31	7	6	-	-	-	-
7. Shri Atul Ubale	13	-	3	-	-	-	-	-
8. Shri Dipankar Halder	39	39	8	7	-	-	-	-
9. Shri L.C. Serrao	6	-	1	-	-	-	-	-
Total	303	246	57	45	-	-	-	-

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.

Other transactions with related parties

The following transactions occurred with related parties:

Nature of Transactions	31 March 2020	31 March 2019
Sitting Fees	14.8	21.2

(e) Transactions with JV's and Outstanding Balances are as follows:

Nature of Transactions	31 March 2020	31 March 2019
1) Interest Income during the year	1,365	1,352
2) Expenses Reimbursed during the year	50	33
3) Management & Accounting fees earned during the year	1,917	1,839
4) Guarantee fees received during the year	41	41
5) Investment made during the year	-	-
6) Loans realised during the year	991	2,811
7) Interest amount compounded in to principal during the year	1,094	33

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Outstanding Balances	31 March 2020	31 March 2019
1) Investments	7,408	7,408
2) Loan Balances	24,122	22,034
3) Other Receivable	23	23
4) Payable on account of Ship	22,346	20,504
5) Guarantees Given for JV's	5,399	4,954
6) Interest receivable	342	301
7) Expenses recoverable from JV's	10	10

(f) Transactions with Subsidiary and Outstanding Balances are as follows:

Nature of Transactions	31 March 2020	31 March 2019
Investment made during the year	-	-
Expenses incurred on behalf during the year	0.22	0.19

Outstanding Balances	31 March 2020	31 March 2019
Investment at the year end	5.00	5.00
Receivable as at year end	9.97	9.75

(g) Transactions with Government related entities

(1) 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 2020	31 March 2019
Indian Oil Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	45,585	32,692
Hindustan Petroleum Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	84,703	66,098
Bharat Petroleum Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	51,185	45,557
Oil And Natural Gas Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	20,247	12,938
Mangalore Refinery and Petrochemicals Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	26,455	19,213
Chennai Petroleum Corporation Limited	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	14,086	12,340
Steel Authority Of India Ltd	Central PSU	Revenue from Freight / Charter Hire / Demurrage etc.	19,257	17,528
Indian Oil Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	27,168	21,922
Hindustan Petroleum Corporation Limited	Central PSU	Purchases of Bunker, Oil etc	5,919	9,141
Cochin Shipyard	Central PSU	Repair/Drydock of vessel	10,953	10,447
The Oriental Insurance Co. Ltd	Central PSU	Insurance etc.	9,580	3,778
Oil And Natural Gas Corporation Limited	Central PSU	Recovery of Reimbursable expenses	27,916	33,030
Andaman & Nicobar Administration	A&N Admin	Recovery of Reimbursable expenses	16,962	15,641
Ministry of Earth Sciences	Ministry of Earth Sciences	Recovery of Reimbursable expenses	6,106	5,655
Geological Survey Of India	Ministry of Mines	Recovery of Reimbursable expenses	5,615	6,797

Government related entities along with description of relationship wherein significant amount of balance receivable/payable from/to related parties are as follows:

Name of related party	Relation	Nature of transaction	31 March 2020	31 March 2019
Hindustan Petroleum Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	9,092	4,852

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Name of related party	Relation	Nature of transaction	31 March 2020	31 March 2019
Oil And Natural Gas Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	8,379	13,191
Bharat Petroleum Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	6,125	5,364
Indian Oil Corporation Ltd.	Central PSU	Trade Receivable/(Advance from customer)	5,458	3,664
Geological Survey Of India	Ministry of Mines	Trade Receivable/(Advance from customer)	1,534	5,648
Department of Fertilizers	Ministry of Fertilizers	Trade Receivable/(Advance from customer)	(162)	492
Nuclear Power Corporation	Central PSU	Trade Receivable/(Advance from customer)	131	(4)
Ministry of External affairs	Ministry of External affairs	Trade Receivable/(Advance from customer)	-	(4)
Andaman Lakshdeep Harbour works	Ministry of Surface transport	Trade Receivable/(Advance from customer)	2	(4)
Cochin Shipyard Limited	Central PSU	Trade Payable/(Advance to vendor)	9,974	11,551
Indian Oil Corporation Limited	Central PSU	Trade Payable/(Advance to vendor)	3,514	859
Cochin Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(288)	6,871
Vizag Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(652)	6,757
Kolkata Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(433)	1,589
Paradeep Port Trust	Trust under MPT Act	Trade Payable/(Advance to vendor)	(362)	1,411
Balmer & Lawrie & Co. Ltd	Central PSU	Trade Payable/(Advance to vendor)	2	(7)
The Chairman CHPT	Trust under MPT Act	Trade Payable/(Advance to vendor)	(105)	(1)
The Oriental Insurance Co Ltd.	Central PSU	Trade Payable/(Advance to vendor)	28	(1)

(2) Other than Significant Transactions

Other than significant transactions carried out are as follows:

Particulars	31 March 2020	31 March 2019
Revenue	34,665	40,061
Purchases/services	34,481	34,232
Recovery of Reimbursable expenses	4,809	5,480

Other than significant amount of balance receivable/payable from/to related parties are as follows:

Particulars	31 March 2020	31 March 2019
Trade Receivable/(Advance from customers)	17,362	23,097
Trade Payable/(Advance to vendors)	3,569	17,553

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) Trust

Transactions with Post Retirement Plans managed through separate trust wherein SCI having control :

Name of the related party	Nature of transaction	31 March 2020	31 March 2019
1. Shipping Corporation of India Employees Gratuity Fund	-	-	-
2. Post Retirement Medical Scheme for the Shore employees of The Shipping Corporation of India Limited	-	-	-
3. Provident Fund for the employees of The Shipping Corporation of India Limited	Employer's Contribution	1,249	1,215

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Name of the related party	Nature of transaction	31 March 2020	31 March 2019
4. SCI Employee Superannuation Trust	Employer's Contribution	1,090	1,062
5. Provident Fund for The Crew Non CDC holders of The Shipping Corporation of India Limited	-	-	-

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 employee's defined benefits plans in the form of Gratuity, leave encashment and post retirement Medical Scheme

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
01-Apr-18	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)	-

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Particulars	Present value of obligation	Fair value of plan assets	Net amount
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) & (v)]	(197)	304	(501)
Closing Balance Sheet (Asset) / Liability as on 31 March 2019 [(ii) + (iii) + (v)]			(3,265)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31-Mar-19	12,446	15,711	(3,265)
Current service cost	757	-	757
Past service cost	-	-	-
Interest expense/(income)	916	1,137	(221)
Total amount recognised in profit and loss	1,673	1,137	536
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	(243)	243
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	553	-	553
Experience (gains)/losses	(2,640)	-	(2,640)
(i) Amount recognised in other comprehensive income	(2,087)	(243)	(1,844)
Employer contributions			
Benefit payments	(1,644)	(1,644)	-
Unrecognised Asset due to Limit in Para 64(b)			
(ii) 31 March 2020	10,388	14,961	(4,573)
(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) & (v)]	(2,087)	(243)	(1,844)
Closing Balance Sheet (Asset) / Liability as on 31 March 2020 [(ii) + (iii) + (v)]			(4,573)

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-20	31-Mar-19
Present value of funded obligations	10,388	12,446
Fair value of plan assets	14,961	15,711
Deficit of funded plan	(4,573)	(3,265)
Unfunded plans	-	-
Unrecognised Asset due to Limit in Para 64(b)		
Deficit of gratuity plan	(4,573)	(3,265)

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Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.69%	7.67%
Salary Escalation Rate-Shore Staff	7.80%	7.50%
Salary Escalation Rate-Floating Staff	9.00%	
Expected Return on Assets	6.69%	7.67%
Demographic Assumptions	31-Mar-20	31-Mar-19
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Withdrawal Rate	IALM (2012-14) Ultimate 0.50%	IALM (2012-14) Ultimate 0.50%
Retirement Age	60 years	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-20		31-Mar-19	
Defined Benefit Obligation (Base)	10388		10749	
Sensitivity Analysis	31-Mar-20		31-Mar-19	
Table 14 : Sensitivity Analysis	Decrease	Increase	Decrease	Increase
Discount Rate				
Impact of increase/decrease in 50 bps on DBO	320	372	633	695
Salary Growth Rate				
Impact of increase/decrease in 50 bps on DBO	313	355	500	550

Change in the Unrecognised Asset due to the Asset Ceiling During the Period	31-Mar-19 to 31-Mar-20	31-Mar-18 to 31-Mar-19
Unrecognised Asset, Beginning of Period	-	-
Asset recognised during the year	-	-
Unrecognised Asset, End of Period	-	-

The above sensitivity analyses 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.

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(All amounts in INR lakhs, unless otherwise stated)

Major category of plan assets are as follows:-

Particulars	31-Mar-20				31-Mar-19			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India Securities	9,895	-	9,895	66%	6,984	-	6,984	44%
Debt instruments								
Investment in Bonds	400	-	400	3%	1,893	-	1,893	12%
Other Assets including accrued interest	707	226	933	6%	670	330	1,000	6%
Investment in Deposits including Bank Balance	-	3,733	3,733	25%	-	5,834	5,834	37%
Total	11,002	3,959	14,961	100%	9,547	6,164	15,711	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 ₹ 894 lakh (Prev. period ₹ 1441 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:

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 11.24 years (2019 – 12.01 years).

(C) Leave Encashment (Unfunded)

Balance sheet amount (Leave Encashment)

Particulars	Present value of obligation
01-Apr-18	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-Mar-19	5,843

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

Particulars	Present value of obligation
31-Mar-19	5,843
Current service cost	450
Interest expense/(income)	452
Actuarial (Gain)/loss from change in financial assumptions	507
Actuarial (Gain)/loss from change in demographic assumptions	-
Actuarial - Experience (gains)/losses	593

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Particulars	Present value of obligation
Total amount recognised in profit and loss	2,002
Employer contributions	
Benefit payments*	(2,423)
31-Mar-20	5,422

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

The net liability disclosed above relates to unfunded plan are as follows:

Particulars	31-Mar-20	31-Mar-19
Present value of unfunded obligations	5,422	5,843
Deficit of leave encashment plan	5,422	5,843

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Principal Assumptions at the balance sheet date:		
Financial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.69%	7.67%
Salary Escalation Rate-Shore Staff	7.80%	7.50%
Salary Escalation Rate-Floating Staff	9.00%	
Demographic Assumptions	31-Mar-20	31-Mar-19
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Withdrawal Rate	IALM (2012-14) Ultimate 0.50%	IALM (2012-14) Ultimate 0.50%
Retirement Age	60 years	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-20		31-Mar-19	
Defined Benefit Obligation (Base)	5,422		5,843	
Sensitivity Analysis	31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase
Discount Rate Impact of increase/decrease in 50 bps on DBO	211	178	344	309
Salary Growth Rate Impact of increase/decrease in 50 bps on DBO	231	220	249	238

The weighted average duration of the defined benefit obligation is 11.24 years (2019 - 12.01 years).

The above sensitivity analyses 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.

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(All amounts in INR lakhs, unless otherwise stated)

(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
01-Apr-18	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)
<i>Remeasurements</i>			
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	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-Mar-19	2,083	971	1,112

Particulars	Present value of obligation	Fair value of plan assets	Net amount
31-Mar-19	2,083	971	1,112
Past service cost	(17)		(17)
Interest expense/(income)	151	74	77
Total amount recognised in profit and loss	134	74	60
<i>Remeasurements</i>			
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	202	-	202
Experience (gains)/losses	75	(105)	180
Total amount recognised in other comprehensive income	277	(105)	382
Employer contributions	-	-	-
Benefit payments	(230)	(230)	-
31-Mar-20	2,264	710	1,554

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31-Mar-20	31-Mar-19
Present value of funded obligations	2,264	2,083
Fair value of plan assets	710	971
Deficit of funded plan	1,554	1,112
Deficit of Post Retirement Medical Benefit Scheme plan	1,554	1,112

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Financial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.69%	7.67%
Expected Return on Assets	6.69%	7.67%

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Demographic Assumptions	31-Mar-20	31-Mar-19
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-20		31-Mar-19	
Defined Benefit Obligation (Base)	2,264		2,083	
Table 12 : Sensitivity Analysis	31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase
Discount Rate Impact of increase/decrease in 50 bps on DBO	86	(76)	44	39

The above sensitivity analyses 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:-

	31-Mar-20			
	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	-	670	670	94%
Other Assets including accrued interest	-	40	40	6%
Total	-	710	710	100%

Major category of plan assets are as follows:-

	31-Mar-19			
	Quoted	Unquoted	Total	in %
Investment in Deposits including Bank Balance	-	970	970	100%
Other Assets including accrued interest	-	1	1	0%
Total	-	971	971	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.

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 10.76 years (2019 – 10.21 years).

The expected future cash flows as at 31.03.2020 are as follows :

Projected benefits payable in future years from the date of reporting

Expected Contribution	Gratuity	Leave Encashment	PRMS
1 st following year	1,426	272	247
2 nd following year	749	322	273

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Expected Contribution	Gratuity	Leave Encashment	PRMS
3 rd following year	777	454	308
4 th following year	950	666	355
5 th following year	534	366	410
Years 6 to 10	3,451	2,608	1,432

The expected future cash flows as at 31.03.2019 are as follows :

Projected benefits payable in future years from the date of reporting

Expected Contribution	Gratuity	Leave Encashment	PRMS
1 st following year	1,839	373	225
2 nd following year	918	562	249
3 rd following year	802	509	281
4 th following year	782	502	324
5 th following year	1,054	672	373
Years 6 to 10	3,502	2,248	1,305

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.

(IV) T&OS

Technical & Offshore services segment includes group 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 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

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EBIT	31 March 2020	31 March 2019
Liner	(13,131)	(8,960)
Bulk	(1,276)	3,277
Tanker	73,667	19,301
T&OS	7,412	(906)
Others	188	(171)
Unallocated	(400)	12,767
Total adjusted EBIT	66,460	25,308

Adjusted EBIT reconciles to profit before income tax as follows:

Particulars	31 March 2020	31 March 2019
Total adjusted EBIT	66,460	25,308
Finance costs :		
Liner	87	125
Bulk	3,718	4,788
Tanker	5,894	7,935
T&OS	1,967	2,546
Others	-	-
Unallocated	24,747	20,511
Total Finance costs	36,413	35,905
Interest income from investments	8,117	9,045
Profit before income tax from continuing operations	38,164	(1,552)

Depreciation included in adjusted EBIT

Particulars	31 March 2020	31 March 2019
Liner	2,115	1,889
Bulk	11,256	11,234
Tanker	46,679	44,619
T&OS	7,017	8,045
Others	61	59
Unallocated	(1)	-
Total Depreciation included in adjusted EBIT	67,127	65,846

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	31 March 2020			31 March 2019		
	Total segment revenue	Inter segment revenue	Revenue from external customers	Total segment revenue	Inter segment revenue	Revenue from external customers
Liner	64,488	-	64,488	59,362	-	59,362
Bulk	57,034	-	57,034	58,603	-	58,603
Tanker	295,819	-	295,819	246,195	-	246,195
T&OS	28,706	-	28,706	22,832	-	22,832
Others	1,886	-	1,886	1,693	-	1,693
Total Segment Revenue	447,933	-	447,933	388,685	-	388,685
Unallocated	10,789	-	10,789	12,779	-	12,779
Total segment revenue as per Profit and Loss	458,722	-	458,722	401,464	-	401,464

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(All amounts in INR lakhs, unless otherwise stated)

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2020 and 31st March 2019 were as follows:

Revenue from external customers	31 March 2020			31 March 2019		
	Tanker segment	Liner Segment	Total	Tanker segment	Liner Segment	Total
Bharat Petroleum Corporation Ltd.	51,185	-	51,185	45,557	-	45,557
Hindustan Petroleum Corporation Ltd.	84,703	-	84,703	66,098	-	66,098
Indian Oil Corporation Ltd	44,699	885	45,584	31,902	790	32,692

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:

Revenue from external customers	31 March 2020	31 March 2019
India	373,996	320,733
Singapore	26,757	16,241
Other Countries	47,180	51,711
Total	447,933	388,685

(e) Segment assets

Segment	31 March 2020		31 March 2019	
	Segment assets	Addition to non-current assets	Segment assets	Addition to non-current assets
Liner	68,246	-	71,353	-
Bulk	172,212	-	176,108	-
Tanker	599,972	-	629,368	-
T & OS	121,393	-	128,530	-
Others	1,227	-	707	-
Total segment assets	963,050	-	1,006,066	-
Unallocated	428,810	-	429,603	-
Total assets as per the balance sheet	1,391,860	-	1,435,669	-

(f) Segment liabilities

Segment	31 March 2020	31 March 2019
Liner	72,883	107,803
Bulk	73,172	110,458
Tanker	113,145	217,560
T & OS	43,110	72,281
Others	474	485
Total segment liabilities	302,784	508,587
Unallocated	340,710	208,759
Total liabilities as per the balance sheet	643,494	717,346

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(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 2020	31 March 2019
Revenue from Contract with Customers	375,853	335,634
Revenue from Other Sources		
Charter hire (lease)	82,445	65,309
Other income	8,541	9,566
Total Revenue	466,839	410,509

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segmentwise

Particulars	31 March 2020	31 March 2019
Liner	64,486	59,362
Bulk	38,552	35,232
Tanker	249,498	220,449
T&OS	11,065	6,640
Others	1,886	1,693
Unallocated	10,366	12,258
Total Revenue from Contract with Customers - Segmentwise	375,853	335,634

(B) Revenue from Contract with Customers – Geographical Location

Particulars	31 March 2020			
	India	Singapore	Others	Total
Liner	57,888	355	6,243	64,486
Bulk	36,595	126	1,831	38,552
Tanker	218,650	8,047	22,801	249,498
T&OS	11,065	-	-	11,065
Others	1,886	-	-	1,886
Unallocated	355	22	9,989	10,366
Total Revenue	326,439	8,550	40,864	375,853

Particulars	31 March 2019			
	India	Singapore	Others	Total
Liner	49,845	331	9,186	59,362
Bulk	35,264	(62)	30	35,232
Tanker	187,943	4,791	27,715	220,449
T&OS	6,636	1	3	6,640
Others	1,329	-	364	1,693
Unallocated	(251)	-	12,509	12,258
Total Revenue	280,766	5,061	49,807	335,634

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(All amounts in INR lakhs, unless otherwise stated)

C) On the basis of Timing of Revenue Recognition:

Particulars	31 March 2020		
	At Point in time	At Point over time	Total
Liner	150	64,336	64,486
Bulk	2,219	36,333	38,552
Tanker	19,507	229,991	249,498
T&OS	4,648	6,417	11,065
Others	45	1,841	1,886
Unallocated	11,084	(718)	10,366
Total Revenue	37,653	338,200	375,853

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	205,414	220,449
T&OS	270	6,370	6,640
Others	33	1,660	1,693
Unallocated	12,928	(670)	12,258
Total Revenue	31,980	303,654	335,634

Contract Asset

Particulars	31 March 2020	31 March 2019
Opening Balance of Contract Asset	33,968	26,597
Opening Balance reclassified as Trade Receivable in current period	33,052	25,545
Current year adjustment carried forward	46,485	32,267
Closing Balance of Contract Asset	46,752	33,968

Contract Liability

Particulars	31 March 2020	31 March 2019
Opening Balance of Contract Liability	688	1,894
Revenue Recognised from the opening balance of Contract Liability	688	1,894
Current year Contract liability - Carried Forward	1,238	688
Closing Balance of Contract Liability	1,238	688

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 Group'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 Group 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 7(e) includes contract balances. Impairment losses as disclosed in Note 38 includes receivables arising from contracts with customers.

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Under the payment terms generally applicable to the Group's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Group 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 Group has recognised revenue over a period of time basis following output method. Since, the Group 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: LEASE

The Group as lessee has agreements/contracts relating to charter in of vessel on time basis, land, building, Cars, Photocopier machine etc. The Group as lessor has entered into agreements/contracts of out charter of vessel on time, etc. The right-of-use and lease liability are disclosed in the financial statements at note no 6 & 15 (b) respectively. The Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The following table shows the effects of Leases in the Statement of the Profit and Loss in financial year 2019-20:

Amounts recognised in profit and loss	31 March 2020
Depreciation cost on right-of-use assets	293
Interest expenses (included in finance costs)	249
Expenses relating to service elements of leases	-
Expenses relating to short-term leases	7,489
Expenses relating to variable lease payments	-
Expenses relating to leases of low-value assets	-
Total recognised in operating costs	8,031

Total cash outflow impact for leases for the year 2019-20 was ₹ 340 lakhs, of which ₹ 224 lakhs relates to interest expense.

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 2020*	31 March 2019
Not later than 1 year	3,125	2,183
Later than 1 year and not later than 5 years	1,369	150
Later than 5 Years	2,392	30

*The lease payables include both interest and principal cash flows.

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 2020	31 March 2019
Not later than 1 year	38,469	19,777
Later than 1 year and not later than 5 years	23,243	9,485
Later than 5 Years	-	-

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.

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Note 35: Assets pledged as security

Particulars	Notes	31 March 2020	31 March 2019
Current			
Financial Assets			
Other bank balances	7(g)	8,553	8,434
Total current assets pledged as security		8,553	8,434
Non-current			
Financial Assets			
Non-current investments	6(a)	7,359	7,359
Non Financial Assets			
Property, Plant and Equipment	3	656,439	682,099
Total non-current assets pledged as security		663,798	689,458
Total assets pledged as security		672,351	697,892

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, 2020 and March 31, 2019. 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
March 31, 2020						
Financial assets						
i. Investments	29,835	-	29,835	-	-	29,835
ii. Trade receivables	60,623	-	60,623	-	-	60,623
iii. Cash and cash equivalents	24,478	-	24,478	-	-	24,478
iv. Bank balances other than (iii) above	69,304	-	69,304	-	8,553	60,751
v. Loans	23,265	-	23,265	-	-	23,265
vi. Other financial assets	56,319	-	56,319	-	-	56,319
Total	263,824	-	263,824	-	8,553	255,271
Financial liabilities						
i. Borrowings	366,380	-	366,380	-	-	366,380
ii. Lease Liabilities	2,604	-	2,604	-	-	2,604
iii. Trade payables						
Micro, Small and Medium Enterprises	629	-	629	-	-	629
Others	94,931	-	94,931	-	-	94,931
iv. Other financial liabilities	129,421	-	129,421	-	-	129,421
Total	593,965	-	593,965	-	-	593,965
March 31, 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

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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
vi. Other financial assets	47,674	-	47,674	-	-	47,674
Total	259,724	-	259,724	-	8,434	251,290
Financial liabilities						
i. Borrowings	411,414	-	411,414	-	-	411,414
ii. Trade payables						
Micro, Small and Medium Enterprises	545	-	545	-	-	545
Others	126,725	-	126,725	-	-	126,725
iii. Other financial liabilities	131,660	-	131,660	-	-	131,660
Total	670,344	-	670,344	-	-	670,344

Note 37: Fair value measurements

Financial instruments by category

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	362	-	-	350	-	-
- Mutual funds	-	-	-	-	-	-
Loans	-	-	23,265	-	-	24,417
Trade receivables	-	-	60,623	-	-	59,892
Cash and cash equivalents	-	-	24,478	-	-	9,538
Other bank balances	-	-	69,304	-	-	90,282
Bank deposits with more than 12 months maturity	-	-	-	-	-	-
Other financial assets	-	-	56,319	-	-	47,674
Total financial assets	362	-	233,989	350	-	231,803
Financial liabilities						
Borrowings	-	-	366,380	-	-	411,414
Lease Liabilities	-	-	2,604	-	-	-
Trade payables	-	-	95,560	-	-	127,270
Current maturities of long term debt	-	-	107,739	-	-	116,331
Other financial liabilities	-	-	21,682	-	-	15,329
Total financial liabilities	-	-	593,965	-	-	670,344

(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.



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Financial assets measured at fair value - recurring fair value measurements At 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Financial Investments at FVTPL</u>					
Mutual funds - Growth plan	7(d)	-	-	-	-
Mutual funds - Dividend plan	7(d)	-	-	-	-
Unquoted equity instruments -Woodland Speciality Hospital Ltd	7(a)	-	-	362	362
Total financial assets		-	-	362	362
Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to related parties	7(b)	-	-	23,512	23,512
Loans to others	7(b)	-	-	1,896	1,896
Bank deposits	7(c)	-	-	-	-
Total financial assets		-	-	25,408	25,408
Financial Liabilities					
Borrowings	14(a)	-	275,477	-	275,477
Security deposits	14(c)	-	-	25	25
Total financial liabilities		-	275,477	25	275,502
Financial assets measured at fair value - recurring fair value measurements At 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Financial Investments at FVTPL</u>					
Mutual funds - Growth plan	7(d)	-	-	-	-
Mutual funds - Dividend plan	7(d)	-	-	-	-
Unquoted equity instruments -Woodland Speciality Hospital Ltd	7(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					
Investments					
Loans to related parties	7(b)	-	-	-	-
Loans to others	7(b)	-	-	1,562	1,562
Bank deposits	7(c)	-	-	-	-
Total financial assets		-	-	1,562	1,562
Financial Liabilities					
Borrowings	14(a)	-	368,997	-	368,997
Security deposits	14(c)	-	-	41	41
Total financial liabilities		-	368,997	41	369,038

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 :

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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.

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 2020 and 31 March 2019:

Particulars	Unlisted Equity Securities
As at 1st April 2018	118
Gains(losses) recognised in Statement of profit or loss	232
As at 31 March 2019	350
Gains(losses) recognised in Statement of profit or loss	12
As at 31 March 2020	362

Particulars	Fair Value as at		Significant unobservable inputs	Sensitivity	
	31 March 2020	31 March 2019		2020	2019
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)*	362	350	Net book values	increase (decrease) in the book value would result in increase (decrease) in fair value	

* Net book value as on 31st March, 2020 is calculated based on latest available Financial Statements (i.e. 31st March 2019)

(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).

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 2020		31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans to related parties	23,512	23,512	-	-
Loans to employee	1,896	1,896	1,562	1,562
Bank deposits	-	-	-	-
Total financial assets	25,408	25,408	1,562	1,562

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Particulars	31 March 2020		31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Borrowings	167,738	275,477	368,997	368,997
Security deposits	25	25	41	41
Total financial liabilities	167,763	275,502	369,038	369,038

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. Hence the current financial assets & liabilities have not been considered for Fair value hierarchy above.

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 2020	31 March 2020
Gross carrying amount of trade receivables	82,672	85,515
Less : Expected credit losses	8,469	10,940
Less : Provision made separately for bankrupt/terminated agents	1,059	4,255
Less : Other Provision(i.e. Off Hire, Demurrage, others)	12,521	10,428
Carrying amount of trade receivables (net of impairment)	60,623	59,892

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(iv) Reconciliation of loss allowance provision (ECL) - Trade receivables :

Particulars	Amount
Loss allowance on 1st April 2018	12,504
Changes in loss allowance	(1,564)
Loss allowance on 31st March 2019	10,940
Changes in loss allowance	(2,471)
Loss allowance on 31st March 2020	8,469

(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 2020	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings	318,900	139,088	45,820	503,808
Trade payables	95,560	-	-	95,560
Lease Liabilities	3,125	1,369	2,392	6,886
Security and other deposits	1,013	25	-	1,038
Others financial liabilities	20,644	-	-	20,644
Total liabilities	439,242	140,482	48,212	627,936

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	127,270	-	-	127,270
Lease Liabilities	-	-	-	-
Security and other deposits	861	41	-	902
Others financial liabilities	14,427	-	-	14,427
Total liabilities	439,565	213,283	68,570	721,418

(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.

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(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

Particulars	31 March 2020			31 March 2019		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Non Current loans & Advances	23,512	-	-	-	-	-
Current assets	2,440	-	79	10,599	-	77
Current Loans & Advances	610	-	-	22,034	-	-
Cash and cash equivalents	801	748	1,290	2,017	729	386
Other Bank Balances	-	-	-	208	-	-
Trade Receivables	15,079	6,625	6,336	20,781	5,060	10,752
Exposure to foreign currency risk (assets)	42,442	7,373	7,705	55,639	5,789	11,215
Financial liabilities						
Long Term (Non-Current) Borrowings	167,738	-	-	252,666	-	-
Other current Liabilities	119,758	334	(69)	84,866	446	(504)
Short Term Borrowings	198,642	-	-	158,748	-	-
Trade Payables	21,315	5,494	8,941	57,628	1,927	9,364
Exposure to foreign currency risk (liabilities)	507,453	5,828	8,872	553,908	2,373	8,860
Liabilities directly associated with assets classified as held for sale	22,346	-	-	20,504	-	-
Total exposure to foreign currency risk (liabilities)	529,799	5,828	8,872	574,412	2,373	8,860

(b) Sensitivity

The following table details the Group's sensitivity to a 3% increase/ decrease in INR as against USD and 3% 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 2020	31 March 2019
USD sensitivity		
INR/USD -Increase by 3% (31 March 2019- 3%)	(14,621)	(15,563)
INR/USD -Decrease by 3% (31 March 2019- 3%)	14,621	15,563
EUR sensitivity		
INR/EUR -Increase by 3% (31 March 2019- 4%)	46	137
INR/EUR -Decrease by 3% (31 March 2019- 4%)	(46)	(137)

(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 2020	31 March 2019
Variable rate borrowings	475,282	529,906
Total borrowings at variable rate	475,282	529,906

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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 2020	31 March 2019
Interest rates – increase by 100 basis points (100 bps)	(4,753)	(5,299)
Interest rates – decrease by 100 basis points (100 bps)	4,753	5,299

(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 2020	31 March 2019
Net Debt	275,477	368,997
Total Equity	748,366	718,323
Net debt to equity ratio	0.37	0.51

(b) Loan covenants

The company has 7 ECB Loan Agreements with 5 banks out of which 3 banks are having financial covenant of Debt Service Coverage Ratio (DSCR). One of the bank computes DSCR by adding unencumbered cash with EBITDA hence required DSCR is met for that bank however for remaining two banks DSCR is not met during the Financial year 2019-20. The corporation is in the process of seeking waiver for the breach of the covenant on the ground that all the financial obligation have been met appropriately.

Note 40

On the basis of review of residual value of vessels, 2 PSV and 5 AHTS vessels are estimated to be having scrap value less than 5% of original cost. Therefore, residual value of 2 PSV and 5 AHTS vessels is reduced accordingly. Due to this change, depreciation for the year ended 31st March 2020 is higher by ₹ 19.19 lakhs and profit for the FY 2019-20 is lower by ₹ 19.19 lakhs. Due to the said change, depreciation expenses for the future period will be higher by approximate ₹ 19.19 lakhs every year.

Note 41

During the quarter ended 31st March, 2020, the Company sold its vessel MT. Maharaja Agrasen DWT 1,47,474. The Memorandum of Agreement (MOA) was signed with the buyer on 19.03.2020 and Instrument of Sale was released to the buyer on 26.03.2020. In view of the worldwide pandemic due to spread of Covid-19, Sri Lanka had imposed nationwide lock down and curfew, during which signing-off and landing of our crew in Sri Lankan territory was totally banned by the local authorities. Thereafter the physical delivery of the vessel to buyer finally took place on 27.04.2020 at Galle anchorage (Sri Lanka).

Note 42

C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of ₹ 11.03 crores for the FY 2014-15 with respect to two issues i.e. identification of Core and Non Core income as per DPE guidelines and observing "Bell Curve" approach in PRP calculation. Regarding identification of Core and Non Core income, the Company has taken the issue for deliberation in the Nomination and Remuneration Committee of the Board. The Committee has endorsed the stand taken by the Company on certain items and advised the Company to take the matter forward. Appropriate action shall be taken based on further developments in the matter.

The Shipping Corporation of India Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 43

The Covid-19 outbreak has affected the whole supply chain worldwide and has had severe impact with respect to political, social, economic and financial fronts as well. The Company has assessed the overall impact of the situation in March 2020 itself and had taken effective measures to minimise disruption to operations and ensure that the business remains viable during the virus outbreak and thereafter. Revenue of the Company for the year ended 31st March 2020 is not affected by pandemic Covid 19 as it started in late March 2020. However there was a sudden drop in the crude oil prices, which touched historically low levels. This led the Company to write down its inventories by ₹ 829.14 lakhs and corresponding impact is disclosed as expense in the Statement of Profit and Loss.

It is also further assessed that Covid-19 does not have any significant impact on Company Operations going forward. The Management based on its assessment has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 and hence, the Company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due. With system driven environment there has been no impact in the internal controls and reporting as well.

Note 44

During the year ended 31st March 2020, Department of Investment and Public Asset Management (DIPAM), Government of India vide its three separate letters no.F.No.7/4/2018-DIPAM-II-A dated 8th January 2020 has appointed the following respectively as Transaction Advisor, Legal Advisor and Asset Valuer for Strategic Disinvestment of SCI:

- i) M/s. RBSA Capital Advisors LLP ;
- ii) M/s. Luthra & Luthra Partners; and
- iii) M/s. Protocol Insurance Surveyors & Loss Assessors Pvt. Ltd.

Information sought by the three Advisors is being furnished by SCI.

Note 45

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 46

The Board of Directors, in its meeting held on May 29, 2020, has recommended a dividend of ₹ 0.75/- per equity share of face value of ₹ 10/- each for the financial year ended March 31, 2020. The equity dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting and has not been included as liability in these financial statements. The total outflow on this account is estimated to be ₹ 3493 lakhs.

Note 47

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.

Note 48: 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 31.03.20 (As on 31.03.19)
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) Pvt Ltd.	Joint venture	Equity	Singapore	26.00% (26.00%)
5. Inland & Coastal Shipping Limited	Subsidiary	Equity	India	100.00% (100%)

The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano Hind Shipping Company

The Shipping Corporation of India Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(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 49: 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 31 st March, 2020	As at 31 st March, 2019
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 2020 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 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
1	India LNG Transport Co. (No. 1) Ltd.	Malta	LNG Carriers	29.08%	29.08%	11,644	9,930
2	India LNG Transport Co. (No. 2) Ltd.	Malta	LNG Carriers	29.08%	29.08%	11,542	9,910
3	India LNG Transport Co. (No. 3) Ltd.	Malta	LNG Carriers	26.00%	26.00%	-	-
4	India LNG Transport Co. (No. 4) Pvt Ltd.	Singapore	LNG Carriers	26.00%	26.00%	6,287	7,732
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

(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 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
Current Assets								
Cash and Cash Equivalents	13,807	11,804	11,581	11,118	10,949	11,563	16,761	13,362
Other Assets	5,680	2,749	3,727	1,721	4,607	1,509	2,454	2,265



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Summarised Balance Sheet	ILT 1		ILT 2		ILT 3		ILT 4	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March 2019
Total Current Assets	19,487	14,553	15,308	12,839	15,556	13,072	19,215	15,627
Total Non - Current Assets	86,315	83,567	92,321	85,680	139,022	130,545	149,357	140,645
Current Liabilities								
Financial Liabilities (excl. trade payables)	13,425	13,781	13,365	13,612	81,251	70,207	4,275	5,672
Other Liabilities	3,655	3,011	3,088	931	6,278	5,965	4,083	4,299
Total Current Liabilities	17,080	16,792	16,453	14,543	87,529	76,172	8,358	9,971
Non - Current Liabilities								
Financial Liabilities (excl. trade payables)	45,471	47,429	48,094	50,162	78,317	77,780	114,864	109,311
Other Liabilities	3,209	(247)	3,394	(261)	2,412	3,056	21,171	7,252
Total Non-Current Liabilities	48,680	47,182	51,488	49,901	80,729	80,836	136,035	116,563
NET ASSETS	40,042	34,146	39,688	34,075	(13,680)	(13,391)	24,179	29,738

(iii) Unrecognised losses of joint ventures carried forward

Particulars	Accumulated as on 31.03.2020		For Year Ended 31.03.2020		Accumulated as on 31.03.2019		For Year Ended 31.03.2019	
	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)
India LNG Transport Co. (No. 4) Pvt Ltd.	-	-	-	-	-	-	-	-

Negative amount reflect previous year losses recognised during the year due to profit earned or further investment in the joint venture.

(iv) Reconciliation to carrying amounts

Particulars	ILT 1		ILT 2		ILT 3		ILT 4	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Opening Net assets	34,145	25,537	34,075	24,800	(13,391)	(14,713)	29,737	25,006
Profit for the year	6,747	7,313	6,701	8,051	653	717	4,654	5,633
Other Comprehensive Income	(850)	1,295	(1,090)	1,226	(941)	605	(10,213)	(903)
Share capital issued during the year	-	-	-	-	-	-	-	-
Closing Net Assets	40,042	34,145	39,688	34,075	(13,680)	(13,391)	24,179	29,737

The Shipping Corporation of India Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	ILT 1		ILT 2		ILT 3		ILT 4	
	31 st March, 2020	31 st March, 2019						
Groups share in %	29.08%	29.08%	29.08%	29.08%	26.00%	26.00%	26.00%	26.00%
Groups share in INR	11,644	9,930	11,542	9,910	(3,557)	(3,482)	6,287	7,732
Carrying Amount*	11,644	9,930	11,542	9,910	-	-	6,287	7,732

* 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	
	31 st March, 2020	31 st March, 2019						
Revenue	17,375	17,152	17,107	18,760	18,673	18,800	18,884	19,550
Other Income	89	119	100	125	18	25	0	0
Depreciation and Ammortisation	4,670	4,069	4,912	5,060	5,150	5,044	8,085	0
Interest Expense	2,806	3,320	2,886	3,405	8,958	9,731	7,128	6,924
Income tax expense	0	6	0	6	0	6	0	0
Other Expense	3,242	2,563	2,707	2,363	3,930	3,328	(983)	6,993
Profit for the year	6,747	7,313	6,701	8,051	653	717	4,654	5,633
Other Comprehensive Income	(850)	1,295	(1,090)	1,226	(941)	605	(10,213)	(903)
Total Comprehensive Income	5,897	8,608	5,611	9,277	(288)	1,322	(5,558)	4,730

Note 50: 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	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit/loss	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated total comprehensive income	Amount (₹ in lacs)
Parent								
The Shipping Corporation of India Ltd.								
31 st March 2020	97%	722,454	90%	30,235	-41%	1,462	106%	31,697
31 st March 2019	96%	690,754	195%	(12,199)	53%	564	224%	(11,635)
Joint Ventures								
(Investment as per equity method)								
India LNG Transport Co. (No. 1) Ltd.								
31 st March 2020	2%	11,644	6%	1,962	7%	(247)	6%	1,715
31 st March 2019	1%	9,931	-34%	2,127	35%	377	-48%	2,503
India LNG Transport Co. (No. 2) Ltd.								
31 st March 2020	2%	11,542	6%	1,949	9%	(317)	5%	1,632
31 st March 2019	1%	9,910	-37%	2,341	33%	356	-52%	2,697

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	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit/loss	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated total comprehensive income	Amount (₹ in lacs)
India LNG Transport Co. (No. 3) Ltd.								
31 st March 2020	0%	(3,557)	-5%	(1,707)	51%	(1,849)	-12%	(3,557)
31 st March 2019	0%	-	0%	-	0%	-	0%	-
India LNG Transport Co. (No. 4) Pvt Ltd.								
31 st March 2020	1%	6,287	4%	1,210	74%	(2,655)	-5%	(1,445)
31 st March 2019	1%	7,732	-23%	1,465	-22%	(234)	-24%	1,231
Subsidiary								
INLAND & COASTAL SHIPPING LTD								
31 st March 2020	0%	(5)	0%	(0)	0%	-	0%	(0)
31 st March 2019	0%	(4)	0%	0	0%	-	0%	0
TOTAL								
31st March 2020	100%	748,365	100%	33,648	100%	-3,607	100%	30,041
31st March 2019	100%	718,323	100%	(6,266)	100%	1,062	100%	(5,203)

For Note no. 1 to 50 of Consolidated Financial Statements

As per our report of even date attached hereto.

**For V. Sankar Aiyar & Co.,
Chartered Accountants
FR. No. 109208W**

**For Haribhakti & Co. LLP,
Chartered Accountants
FR. No. 103523W/W100048**

**CA G Sankar
Partner
Membership No. 046050**

**CA Hemant J. Bhatt
Partner
Membership No. 036834**

Mumbai, Dated the 29th May, 2020

For and on behalf of the Board of Directors,

**Mr. Dipankar Haldar
ED (LA & Company Secretary)**

**Mr. L. C. Serrao
Chief Financial Officer**

**Mrs. H. K. Joshi
Chairperson & Managing Director &
Director (Finance) Addl. charge
DIN - 07085755**

Mumbai, Dated the 29th May, 2020

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 on goods, 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.

Contract of Affreightment

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 Inclusive

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 verification 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 (ECAAF) 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 and 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 Act 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)

$G.O.P. = \text{Earnings}/(\text{Freight}) - D.O.E$

$N.O.P. (\text{Net Operating Profit}) = G.O.P. - I.O.E.$

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 the basis on which manning rules and safety regulations are applied, and registration fees determined.

Gross Tonnage (GT)

Applies to vessels, not to cargo, $(0.2 + 0.02 \log 10V)$ where V is the volume in cubic meters of all enclosed 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 cargoes, even allowing for combining different cargoes 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 (International Organization for Standardization)

An independent, non-governmental standard-setting body composed of representatives from 165 national standards organisations. International standards give world-class specifications 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

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 room 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 $(0.2 + 0.02 \log_{10}(V_c)) V_c (4d/3D)^2$, where V_c 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.

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

GLOSSARY

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. It is over-height, or oversize cargo which requires special equipment and handling.

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 'bulk carriers' 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.



CERTIFICATE OF APPROVAL

Issued by Indian Register Quality Systems
(A Division of IRCLASS Systems and Solutions Private Limited)

This is to certify that the Integrated Management System
Across the Establishments & Fleet of

Organisation: The Shipping Corporation of India Limited

Address: H.O.: "Shipping House",
245, Madame Cama Road
Nariman Point, Mumbai - 400 021

Support Locations & Scope: Refer Annexure

has been assessed as Integrated Management System and found
conforming to the following requirement

Standard: ISO 9001:2015
ISO 14001:2015
ISO 45001:2018

Scope:

- Owning, Managing & Chartering of Ships for Transportation of Goods and Passengers
- Offshore and Marine Advisory Services
- Maritime Training Services

Certificate No.: IRQS/ 201200318

This Certificate Supersedes our Previous Certificate no.
IRQS/18101546, IRQS/18301547 & IRQS/18401548 dated 21st December 2018

Original Certification Date: 23/12/2015

Current Date of Granting: 12/06/2020

Expiry Date: 21/12/2021



Shashi Nath Mishra
Head IRQS

This approval is subject to continued satisfactory maintenance of the Integrated 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/NABCB/IMS/Rev 00

Head Office: 52A, Adi Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai - 400 072, India.



Annexure to Certificate No. IRQS/201200318
with respect to the following scope:
Sites/Support Functions & Locations which support
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, 1 st 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
Entire Fleet	Shipboard Operations



Shashi Nath Mishra
Head IRQS

CSR ACTIVITIES

Project for setting up Mini Science Center

SCI has supported for installation of Mini Science Centers (MSC) at government schools of Osmanabad, aspirational district of Maharashtra. The project is undertaken in association with Seva Sahayog Foundation and Stem Learning as the implementing partner. Three MSC have been set up at three government schools in consultation with the local administration.



Mini Science Center is conceptualized with an aim to inculcate basic concepts of Science, engineering, mathematics at school level, thereby encouraging inclination of students towards science and technology. Models designed at the Mini Science Centers help students in identifying and experiencing the actual products which they learn from text books making it more practical oriented.

Project for Provision of Mid-Day Meals

SCI has supported Akshaya Patra Foundation for eradicating classroom hunger and malnutrition amongst children in Uttar Pradesh (Lucknow and Vrindavan) & Gujarat (Vadodara) by providing hot, nutritious, healthy and unlimited mid-day meals to 2000 children studying in government and government aided schools here.



The project has been promoting the United National Sustainable Development Goals (SDG) of Zero Hunger Good Health and Well-being and in partnership with the Government of India and respective State Governments implementing the Mid-DAY meal scheme across government and government aided schools. With the support of SCI, the project was directly able to provide meals to 774 children in Vadodara, 768 children in Lucknow and 458 children in Vrindavan, cumulatively impacting lives of 2000 children in the states of Uttar Pradesh and Gujarat.

Project for providing ready to use limbs and appliances to Divyangjans

SCI has associated with Artificial Limbs Manufacturing Corporation of India (ALIMCO) for providing aids & appliances to differently-abled persons/Divyangjans. Under the project, approximately 300 divyangjans were identified through assessment camps to whom devices like artificial limbs, wheels chairs, hearing devices, tricycles, smart canes etc. were provided after their assessment.

The objective of the project was upliftment of the poor and needy disabled beneficiaries by bringing them into main stream of society to lead a normal life through their need assessment and provision of requisite appliances through financial support from SCI under CSR program.





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.

