



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 • 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 • Website: www.shipindia.com



सीआईएन/CIN-L63030MH1950G01008033

Ref: A10-SEC-BD-808-202/2022

Date: 06.09.2022

To,

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

Sub: Revised 72nd Annual Report 2021-2022

Dear Sir/ Ma'am,

In continuation to our communication notice dated 02.09.2022 we hereby inform that owing to recent change in the position of Chairman and Managing Director, the Company has revised the 72nd Annual Report of FY 2021-22. The revised Annual Report shall be sent to all the Shareholders through NDSL via email on 06.09.2022.

The Revised 72nd Annual Report containing the Notice and the Business Responsibility Report is also uploaded on the Company's website at www.shipindia.com under 'Financial Results → Annual Reports' section. The same is also available on www.bseindia.com, www.nseindia.com and www.evoting.nsdl.com

Submitted for your information, kindly take the same on your records.

Thanking You,

Yours Faithfully,

For **Shipping Corporation of the India Limited**

Smt. Swapnita Vikas Yadav
Company Secretary and Compliance Officer



NAVIGATING PROGRESS TOWARDS A GLOBAL FUTURE



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, ACCOLADES AND ACHIEVEMENTS



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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BOARD OF DIRECTORS AS ON 03/09/2022#

Capt. B.K. Tyagi
Chairman & Managing Director

Shri Sanjay Kumar
Government Director

Shri Vikram Singh
Government Director

Shri Pramod Kumar Panda
Independent Director

Shri Atul Ubale
Director (Bulk Carrier & Tanker)

Shri P.K. Gangopadhyay
Director (Personnel & Administration)

Shri Gulabbhai Rohit
Independent Director

Shri Shreekant Pattar
Independent Director

Shri KNP Chakravarthy
Independent Director

Dr. Anil Kumar Misra
Independent Director

Ms. Arunima Dwivedi
Independent Director

Shri Vikram Dingley
Director (Technical & Offshore Services)

Shri C.I. Acharya
Director (Finance)

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

Shri N Subramanya Prakash
Chief Financial Officer (w.e.f. 05.08.2022)
Smt. Swapnita Vikas Yadav
Company Secretary & Compliance Officer (w.e.f. 01.02.2022)

STATUTORY AUDITORS*

M/s V. Sankar Aiyar & Co.

M/s Chokshi & Chokshi LLP

* M/s V. Sankar Aiyar & Co. and M/s Chokshi & Chokshi LLP were appointed as Statutory Auditors of the Company for F.Y. 2021-22. They have also conducted limited review audit of Q1, Q2 & Q3 of F.Y. 2021-22. M/s V. Sankar Aiyar & CO. and M/s Chokshi & Chokshi LLP have also conducted limited review audit of the Company for quarter ended June 2022.

For Financial Year 2022-23, Company has not received letter of appointment of Statutory Auditors from CAG

SECRETARIAL AUDITOR

Shri Upendra Shukla,
Practicing Company Secretary

M/s. Mehta & Mehta
Practicing Company Secretary (w.e.f. 01.07.2022)

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093.

ADDENDUM TO CHAIRMAN'S MESSAGE

Subsequent to recent development in the position of Chairman & Managing Director, wherein, Capt. B.K. Tyagi has taken over the charge of Chairman & Managing Director, you may kindly read this message in place of the Chairman's message currently appearing on page numbers from 3-6.



Dear Shareholders, Ladies and Gentlemen,

On behalf of the Board of Directors of The Shipping Corporation of India Ltd, I welcome you all to the 72nd Annual General Meeting of your Company. It is a proud moment for all of us as Your esteemed company has completed 60 glorious years in service of our nation on 2nd October 2021. I wish to convey my special complements to all the shareholders for the success that Your company has achieved during past six decades by pioneering into various segments of Maritime transportation which has not only supported Indian Economy but has immensely contributed towards nation building while ensuring self-sustenance of our country in maritime industry. The Diamond celebrations were marked with great fanfare and enthusiasm with concluding ceremony being graced by Shri. Sarbananda Sonowal, the Hon'ble Minister for Ports, Shipping & Waterways and AYUSH, as the Chief Guest and Shri. Shantanu Thakur, Hon'ble Minister of State for Ports, Shipping & Waterways, as Guest of Honour.

It gives me immense pleasure to place before our esteemed shareholders, the 72nd Annual Report of your Company for the financial year 2021-2022. The financial year 2021-22 had post COVID reminiscence and the beginning of the year witnessed lockdowns being rolled back in phased manner by many countries across globe. As the global economies reopened, there was rebound witnessed in global merchandise trade and shipping industry which works on principles of derived demand, had a deep positive impact with freight rates in liner and bulk segments touching historical high levels. While, the geopolitical situation arising from the Russia – Ukraine war crisis which started in February 2022 shall have a bearing on shipping industry, your company with its diversified fleet is poised towards taking advantage of market opportunities emerging from the global shipping outlook. I am glad to inform that your company had a splendid performance during the financial year 2021-22 and I am pleased to summarise some of the key highlights of your company during FY 2021-22.

Shipping Scenario & Operations

The World has seen some resilience in year 2021-22 as the economic activities recovered from the Covid-19 pandemic. The Global growth was estimated to 6.1% during calendar year 2021. All major trading economies saw imports and exports rise above pre-pandemic levels in the fourth quarter of 2021, with trade in goods increasing more strongly in the developing world than in developed countries. The global trade reflected a strong increase of 10.1% by volume in 2021 in comparison to 2020 which has led to apparent increase in total seaborne trade during the same period. The growth rates indicated signs of recovery, but it was not uniform across all segments, such as seaborne

oil trade (crude oil and refined products) which continued to decline in 2021.

However, in view of the geo-political issues like the Russia-Ukraine conflict, lockdowns in China, supply-chain disruptions, and the risk of stagflation across many countries the forecasts of global growth has been downgraded to 3.6% and the global trade volume by 5.0% in 2022. The war between Russia and Ukraine has pushed up the commodity prices significantly. Higher commodity price inflation is likely to affect lower income countries the most, and since these countries tend to be net importers of dry bulk commodities, it is likely to have some implications on their dry bulk demand.

In 2021-22, container volumes bounced back quickly as consumer demand increased, boosted by stimulus packages and measures to support incomes during COVID-19. Bounce-back brought along with it a shift in consumption patterns away from services and more towards goods. This surge in trade, however resulted in several logistical bottlenecks globally and in 2021, whole industry, including shipping, ports, shippers, and inland carriers struggled with shortages in containers, transport equipment like chassis and space on container ships. This has added to severe port congestion across several ports globally and reduced service levels and carrier reliability, while exponentially increasing freight rates and surcharges.

The impact of COVID induced lockdown continued to have impact on E&P activities along Indian Coast which impacted the specialised offshore segment with few selective opportunities for employment of these vessels in the country. However, there was a recovery in the E&P operations as the crude price touched US\$ 100 per barrel by the end of the year 2021-22. With positive indication from E&P companies to enhance production the utilization for offshore vessels is expected to increase.

India's GDP in 2021 has rebounded from the slump in 2020 and surpassed China's GDP growth rate in 2021. India's import and exports have significantly rose in the year 2021-22. The year 2021-22 observed a reasonable increase in the quantum of Cargo Traffic at India's 13 major ports, majorly contributed by was P.O.L. (Petroleum, Oil & Lubricants), followed by Container traffic, Thermal & Steam Coal, Other Misc. Cargo, Iron Ore & Pellets, Coking & Other Coal, Other Liquids, Finished Fertilizers and Raw Fertilizers. This improvement in port performances is the result of many strategic measures initiated by the Ministry of Ports, Shipping and Waterways, focused towards elevating the performance of Indian ports, such as mechanization of the terminals, focus on improving the TAT (turn-around time), efficient cargo movement, adoption of new technology, with special thrust on coastal transportation, expansion/modernization of port-related infrastructure and skill development of port employees.

Going ahead, the factors like war between Russia and Ukraine, high oil prices, recurrence of lockdown in China and overall sluggishness in economy due to monetary policy tightening are expected to keep the Crude Oil Tanker market under pressure. However, the demand for the Product Tankers is expected to increase in comparison to 2021 as the Russian refined products are unacceptable to Western countries and thus they will source Petroleum Products from alternative locations boosting the tonne miles of Product Tankers. The dry bulk segment has recovered remarkably during 2021 and factors like strong trade growth and tapering dry bulk carrier are expected to maintain higher rates in this segment. The Liner trade is also expected to keep the momentum as India's exports have surpassed pre-COVID levels during 2021-22 and the union Budget 2022-23 has emphasized long-term potential for Indian exports. Further focus on increasing share of coastal shipping in cargo transportation in India is also expected to contribute toward growth of Liner/ Container trade during 2022-23.

For boosting the maritime sector in India, Government has formulated a Maritime India Vision 2030 which focuses on over 150 initiatives across 10 themes covering all the facets of the Indian maritime sector and is a comprehensive effort to define and meet national maritime objectives. Further Government's landmark initiatives, such as Sagarmala, Gati Shakti, Atmanibhar Bharat and Make in India, shall definitely propel Indian maritime industry toward newer horizons of success in coming year.

Financials

Your Company has reported a stand-alone net Profit After Tax (PAT) of Rs. 794.79 Crores and consolidated PAT of Rs. 865.22 Crores for the year ended 31st March 2022 as against a standalone PAT of Rs. 618.10 Crores and consolidated PAT Rs. 696.09 Crores for the year ended 31st March 2021. The revenue from operation has significantly increased by 35% during FY 2021-22 vis-à-vis FY 2020-21. Further, Your Company has reported highest Operating Revenue of last two decades and highest PAT of last 13 years in FY 2021-22. It is also a matter of pride to share that your company is first CPSE in Navratna/ Maharatna category to declare Annual Results for the third consecutive financial year.

Dividend

Your Company continued its spirit of buoyancy this year too and the Board of Directors, giving due consideration to sustainability on all accounts, has recommended a dividend of Rs. 0.33/- 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 reposed in it to deliver. We continue to remain responsible for maintaining and sustaining the momentum gained and while we surpassed our previous performance overcoming the adversities.

Acquisitions and Disposals

The present fleet of Your Company comprise of 59 vessels. There were no new acquisitions or scrapping of vessels during FY 2021-22. Your Company has, over the years has successfully retained its 'Numero Uno' position in Indian Shipping and has been a frontrunner in

ADDENDUM TO CHAIRMAN'S MESSAGE

terms of growth, diversification and replenishment of its tonnage. The average age of Your Company's fleet is less than average age of Indian tonnage. Augmentation of tonnage through acquisition of vessels is continually being explored subject to the favourable market conditions and economic viability. During FY 2021-22, Your Company floated tenders for acquisition of 2 nos. of Very Large Gas Carriers (VLGC) of about 12-16 years old and acquisition of up to 10 year old resale/second-hand OSV. However, the tenders floated did not elucidate desired bid and thus Your Company shall continue scanning S&P markets for the acquisition opportunities.

Strategic Disinvestment of SCI

Your Company has been identified for strategic disinvestment by the Government of India. On 10th November 2021, SCI incorporated a wholly owned subsidiary "Shipping Corporation of India Land and Assets Limited" (SCILAL) pursuant to approval of Board of Directors based on the concurrence given by the Ministry of Ports Shipping and Waterways and NITI Aayog for hiving off the Non-Core Assets of the Company as a part of the Demerger under SCI's strategic Disinvestment process. The Scheme of Demerger has been approved by the SCI Board, DIPAM, MoPSW, SCILAL Board and stock exchange. The Demerger Scheme has been filed with Ministry of Corporate Affairs (MCA) for approval.

Corporate Social Responsibility

Your company's values as a socially responsible organization are well entrenched in its activities. The emphasis this year, has been on health & nutrition with a special focus on Covid-19 related measures, promotion of school education for underprivileged children and maritime education for weaker sections of the society, eradication of hunger and malnutrition, women empowerment, skill development, health care, environment sustainability and other areas of social upliftment. To reinforce Nation's fight against Covid-19, your company has generously contributed towards strengthening healthcare infrastructure in the country, by donating oxygen generating plants, ventilators and PPE kits.

Corporate Governance

Your Company has a legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. 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.

Important Developments

- In compliance with the IMO's Ballast Water Management Convention, Your Company is in process of installing the Ballast Water Treatment System (BWTS) on its 40 foreign going vessels. Installation and commissioning of BWTS has been completed on 15 foreign going vessels and for other vessel BWTS fitting will be undertaken commensurate with their dry-docking schedule. Informatively, 11 foreign going vessels were fitted with BWTS by 31.03.2022.
- Your company's vessels M.T. Swarna Sindhu and M.V. SCI Sabarmati were part of the prestigious 12th Fleet Review by Hon'ble President of India & Supreme Commander of Indian Armed Forces along with other Indian Navy Fleet during February 2022.
- In accordance to approval received from A&N Administration in July 2021 Your Company has taken over the officer manning of the 17 nos. Foreshore vessels. Foreshore Vessels are lifeline for inter-island connectivity in Andaman and Nicobar and thus Islanders will be benefitted by uninterrupted services offered by Your Company.
- To overcome high freight rates, shortage of containers and for catering to the requirements of Indian exporters, Your Company deployed its container vessel 'M.V. SCI Chennai' on direct "India – Middle East Shipping Service". This service will connect East & West Coast of India with Middle East ports of Jebel Ali and Hamad and will also cater to other ports in Persian Gulf. The service was flagged off by Hon'ble Minister MoPSW during SCI's Diamond Jubilee Celebration function held on 3rd Oct 2022.
- Your company executed an agreement with Union Territories of Lakshadweep Administration (UTLA) in February 2022 for Operation and Management (O&M) of 21 nos. diversified fleet of vessels comprising Passenger vessels, High Speed Passenger Crafts, POL vessels, Cargo vessels and Harbor Tugs.
- In March 2022, a historic Memorandum of Understanding (MOU) was signed between Inland Waterways Authority of India (IWAI) & Inland & Coastal Shipping Ltd (ICSL), a wholly owned subsidiary of Your Company for taking over of two RO-RO vessels, M.V. Gopinath Bordoloi & M.V. Sankar Dev of IWAI.
- In yet another historical event showcasing and promoting Diversity and Inclusivity (D&I) in the Global Shipping Industry, Your Company successfully organized 'All Women Merchant Officers' sailing on M.T. Swarna Godavari for celebrating the Inaugural IMO International Day for Women in Maritime. This is second such event in succession. The vessel was flagged off from Jawahar Dweep oil terminal, Mumbai on 14th May, 2022 by Smt. Meenakshi Lekhi Hon'ble Union Minister of State, Ministry of External Affairs and Union Minister of State, Ministry of Culture.
- India - Maldives Cargo Shipping Service was jointly launched on 21.09.2020, adding a new chapter in the connectivity initiatives taken by both the countries in the Indian Ocean Region (IOR), connecting Indian Ports of Cochin and Tuticorin with Kulhuduffushi and Male.

Azadi Ka Amrit Mahotsav Celebrations

To commemorate the 75 years of Independence of the progressive India and its glorious history encompassing its people, culture and achievements, your company celebrated the Azadi Ka Amrit Mahotsav (AKAM) with great fervour. A series of activities were organized by Your Company to celebrate the milestone, such as talk on freedom fighters, quiz to increase awareness of freedom fighting movements, programs intended for employees and family welfare, felicitation of Freedom Fighters, felicitation of seafarers, plantation drive, free COVID vaccination camps and participation in AKAM Mega show organized by Department of Public Enterprise at Gandhinagar, Gujarat wherein SCI showcased its contribution in nation building.

Awards & Accolades bestowed upon your company during FY 2021-22

- Amity Excellence Award for Exceptional Leadership was given to Smt. H.K. Joshi C&MD on 28th April 2021.
- Your Company received the prestigious NMDC Award on the Occasion of 'Day of the Seafarer', celebrated on 25th June 2021 for the historic journey of M.T. Swarna Krishna, being the first Indian Flag vessel with all Women Officers on board.
- The Central Board of Indirect Taxes and Customs issued a certificate of appreciation to Your Company for prompt filing of returns and payment of GST up to 31.03.2021.
- Your Company received HR Excellence award during the The Governance Now 8th PSU Awards held on 29th July 2021. Smt. H. K. Joshi C&MD SCI received CMD Leadership Award.
- During the 5th Edition of India Maritime Awards organized by Daily Shipping Times following awards were conferred:
 - a. Your Company was felicitated for completion of 60 glorious years.
 - b. Your Company was conferred with Runner Up Award for the Coastal Service Operator of the Year and the Main Line Container Operator of the Year with Widest Sector Coverage.
 - c. Smt. H. K. Joshi, C&MD received "Woman Star in Shipping & Logistics" Award.
- Your Company was awarded second prize in "Swachhata Pakhwada" Awards 2019 by the Ministry of Ports, Shipping and Waterways
- During the 11th Maritime & Logistics Awards (MALA) 2021 held on 18th November 2021, Your Company was awarded "Shipping & Logistics Super Brand of the Year Award" and Felicitated for "60 successful years of being the Flagship of Indian Maritime Trade".
- "The Maritime Standard Personality of the Year" award was presented to C&MD, SCI, Smt. H.K. Joshi during The Maritime Standards Awards 2021, Dubai.
- National Maritime Search & Rescue Award (NMSAR) for the year 2019-20 from the Indian Coast Guard was given to Your Company managed and ONGC owned Offshore Vessel Col S P Wahi for prompt SAR operation on 4th Aug 2020 saving 16 survivors from abandoned Indian fishing boat
- Smt H. K. Joshi, CMD SCI was awarded "Champion of Diversity Award" during the Maritime SheEO Conference 2021 held on 25th November 2021.
- During the 8th Samudra Manthan Awards held on 16th December 2021, Your Company was awarded 'Shipping Company of the Year (Indian) and Smt. H. K. Joshi C&MD, SCI was honored with "Empowered Women of the Year Award".
- Special Jury Award to Woman Role Model in Maritime Industry was given to Smt H. K. Joshi C&MD SCI during the 7th Edition of East Coast Maritime Forum 2022 concurrent with Eastern Star Awards 2022 held on 24th February 2022.
- Smt. H. K. Joshi C&MD was felicitated with "Maritime Personality Award of the Year" at Gujarat Star Awards 9th edition during the function held on 12th March 2022.
- On 22nd March 2022, Smt. H. K. Joshi C&MD was felicitated with CEO with HR Orientation Award by World HRD Congress.

Acknowledgements

I would like to express my gratitude to the Government of India for its support to your Company. I wish to thank the Hon'ble Minister of Ports, Shipping and Waterways, Shri. Sarbanand Sonowal and Hon'ble Minister of States of Ports, Shipping and Waterways, Shri Shripad Naik and Shri Shantanu Thakur for their leadership and consistent support provided to your company. I would also like to express my gratitude towards Secretary (MoPSW) for his guidance and support. 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 Maritime Sector and specifically by your Company. I also wish to express my special appreciation towards all the shareholders, stakeholders, my colleagues on the Board of Directors and all the floating and shore employees for their continued support over the years.

Capt. B.K. Tyagi,
Chairman & Managing Director

CHAIRMAN'S MESSAGE



Dear Shareholders, Ladies and Gentlemen,

On behalf of the Board of Directors of The Shipping Corporation of India Ltd, I welcome you all to the 72nd Annual General Meeting of your Company. It is a proud moment for all of us as Your esteemed company has completed 60 glorious years in service of our nation on 2nd October 2021. I wish to convey my special complements to all the shareholders for the success that Your company has achieved during past six decades by pioneering into various segments of Maritime transportation which has not only supported Indian Economy but has immensely contributed towards nation building while ensuring self-sustenance of our country in maritime industry. The Diamond celebrations were marked with great fanfare and enthusiasm with concluding ceremony being graced by Shri. Sarbananda Sonowal, the Hon'ble Minister for Ports, Shipping & Waterways and AYUSH, as the Chief Guest and Shri. Shantanu Thakur, Hon'ble Minister of State for Ports, Shipping & Waterways, as Guest of Honour.

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Shipping Scenario & Operations

The World has seen some resilience in year 2021-22 as the economic activities recovered from the Covid-19 pandemic. The Global growth was estimated to 6.1% during calendar year 2021. All major trading economies saw imports and exports rise above pre-pandemic levels in the fourth quarter of 2021, with trade in goods increasing more strongly in the developing world than in developed countries. The global trade reflected a strong increase of 10.1% by volume in 2021 in comparison to 2020 which has led to apparent increase in total seaborne trade during the same period. The growth rates indicated signs of recovery, but it was not uniform across all segments, such as seaborne oil trade (crude oil and refined products) which continued to decline in 2021.

However, in view of the geo-political issues like the Russia-Ukraine conflict, lockdowns in China, supply-chain disruptions, and the risk of stagflation across many countries the forecasts of global growth has been downgraded to 3.6% and the global trade volume by 5.0% in

2022. The war between Russia and Ukraine has pushed up the commodity prices significantly. Higher commodity price inflation is likely to affect lower income countries the most, and since these countries tend to be net importers of dry bulk commodities, it is likely to have some implications on their dry bulk demand.

In 2021-22, container volumes bounced back quickly as consumer demand increased, boosted by stimulus packages and measures to support incomes during COVID-19. Bounce-back brought along with it a shift in consumption patterns away from services and more towards goods. This surge in trade, however resulted in several logistical bottlenecks globally and in 2021, whole industry, including shipping, ports, shippers, and inland carriers struggled with shortages in containers, transport equipment like chassis and space on container ships. This has added to severe port congestion across several ports globally and reduced service levels and carrier reliability, while exponentially increasing freight rates and surcharges.

The impact of COVID induced lockdown continued to have impact on E&P activities along Indian Coast which impacted the specialised offshore segment with few selective opportunities for employment of these vessels in the country. However, there was a recovery in the E&P operations as the crude price touched US\$ 100 per barrel by the end of the year 2021-22. With positive indication from E&P companies to enhance production the utilization for offshore vessels is expected to increase.

India's GDP in 2021 has rebounded from the slump in 2020 and surpassed China's GDP growth rate in 2021. India's import and exports have significantly rose in the year 2021-22. The year 2021-22 observed a reasonable increase in the quantum of Cargo Traffic at India's 13 major ports, majorly contributed by was P.O.L. (Petroleum, Oil & Lubricants), followed by Container traffic, Thermal & Steam Coal, Other Misc. Cargo, Iron Ore & Pellets, Coking & Other Coal, Other Liquids, Finished Fertilizers and Raw Fertilizers. This improvement in port performances is the result of many strategic measures initiated by the Ministry of Ports, Shipping and Waterways, focused towards elevating the performance of Indian ports, such as mechanization of the terminals, focus on improving the TAT (turn-around time), efficient cargo movement, adoption of new technology, with special thrust on coastal transportation, expansion/modernization of port-related infrastructure and skill development of port employees.

Going ahead, the factors like war between Russia and Ukraine, high oil prices, recurrence of lockdown in China and overall sluggishness in economy due to monetary policy tightening are expected to keep the Crude Oil Tanker market under pressure. However, the demand for the Product Tankers is expected to increase in comparison to 2021 as the Russian refined products are unacceptable to Western countries and thus they will source Petroleum Products from alternative locations boosting the tonne miles of Product Tankers. The dry bulk segment has recovered remarkably during 2021 and factors like strong trade growth and tapering dry bulk carrier are expected to maintain higher rates in this segment. The Liner trade is also expected to keep the momentum as India's exports have surpassed pre-COVID levels during 2021-22 and the union Budget 2022-23 has emphasized long-term potential for Indian exports. Further focus on increasing share of coastal shipping in cargo transportation in India is also expected to contribute toward growth of Liner/ Container trade during 2022-23.

For boosting the maritime sector in India, Government has formulated a Maritime India Vision 2030 which focuses on over 150 initiatives across 10 themes covering all the facets of the Indian maritime sector and is a comprehensive effort to define and meet national maritime objectives. Further Government's landmark initiatives, such as Sagarmala, Gati Shakti, Atmanibhar Bharat and Make in India, shall definitely propel Indian maritime industry toward newer horizons of success in coming year.

Financials

Your Company has reported a stand-alone net Profit After Tax (PAT) of Rs. 794.79 Crores and consolidated PAT of Rs. 865.22 Crores for the year ended 31st March 2022 as against a standalone PAT of Rs. 618.10 Crores and consolidated PAT Rs. 696.09 Crores for the year ended 31st March 2021. The revenue from operation has significantly increased by 35% during FY 2021-22 vis-à-vis FY 2020-21. Further, Your Company has reported highest Operating Revenue of last two decades and highest PAT of last 13 years in FY 2021-22. It is also a matter of pride to share that your company is first CPSE in Navratna/ Maharatna category to declare Annual Results for the third consecutive financial year.

Dividend

Your Company continued its spirit of buoyancy this year too and the Board of Directors, giving due consideration to sustainability on all accounts, has recommended a dividend of Rs. 0.33/- 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 reposed in it to deliver. We continue to remain responsible for maintaining and sustaining the momentum gained and while we surpassed our previous performance overcoming the adversities.

Acquisitions and Disposals

The present fleet of Your Company comprise of 59 vessels. There were no new acquisitions or scrapping of vessels during FY 2021-22. Your Company has, over the years has successfully retained its 'Numero Uno' position in Indian Shipping and has been a frontrunner in terms of growth, diversification and replenishment of its tonnage. The average age of Your Company's fleet is less than average age of Indian tonnage. Augmentation of tonnage through acquisition of vessels is continually being explored subject to the favourable market conditions

CHAIRMAN'S MESSAGE

and economic viability. During FY 2021-22, Your Company floated tenders for acquisition of 2 nos. of Very Large Gas Carriers (VLGC) of about 12-16 years old and acquisition of up to 10 year old resale/second-hand OSV. However, the tenders floated did not elucidate desired bid and thus Your Company shall continue scanning S&P markets for the acquisition opportunities.

Strategic Disinvestment of SCI

Your Company has been identified for strategic disinvestment by the Government of India. On 10th November 2021, SCI incorporated a wholly owned subsidiary "Shipping Corporation of India Land and Assets Limited" (SCILAL) pursuant to approval of Board of Directors based on the concurrence given by the Ministry of Ports Shipping and Waterways and NITI Aayog for hiving off the Non-Core Assets of the Company as a part of the Demerger under SCI's strategic Disinvestment process. The Scheme of Demerger has been approved by the SCI Board, DIPAM, MoPSW, SCILAL Board and stock exchange. The Demerger Scheme has been filed with Ministry of Corporate Affairs (MCA) for approval.

Corporate Social Responsibility

Your company's values as a socially responsible organization are well entrenched in its activities. The emphasis this year, has been on health & nutrition with a special focus on Covid-19 related measures, promotion of school education for underprivileged children and maritime education for weaker sections of the society, eradication of hunger and malnutrition, women empowerment, skill development, health care, environment sustainability and other areas of social upliftment. To reinforce Nation's fight against Covid-19, your company has generously contributed towards strengthening healthcare infrastructure in the country, by donating oxygen generating plants, ventilators and PPE kits.

Corporate Governance

Your Company has a legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. 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.

Important Developments

- In compliance with the IMO's Ballast Water Management Convention, Your Company is in process of installing the Ballast Water Treatment System (BWTS) on its 40 foreign going vessels. Installation and commissioning of BWTS has been completed on 15 foreign going vessels and for other vessel BWTS fitting will be undertaken commensurate with their dry-docking schedule. Informatively, 11 foreign going vessels were fitted with BWTS by 31.03.2022.
- Your company's vessels M.T. Swarna Sindhu and M.V. SCI Sabarmati were part of the prestigious 12th Fleet Review by Hon'ble President of India & Supreme Commander of Indian Armed Forces along with other Indian Navy Fleet during February 2022.
- In accordance to approval received from A&N Administration in July 2021 Your Company has taken over the officer manning of the 17 nos. Foreshore vessels. Foreshore Vessels are lifeline for inter-island connectivity in Andaman and Nicobar and thus Islanders will be benefitted by uninterrupted services offered by Your Company.
- To overcome high freight rates, shortage of containers and for catering to the requirements of Indian exporters, Your Company deployed its container vessel 'M.V. SCI Chennai' on direct "India – Middle East Shipping Service". This service will connect East & West Coast of India with Middle East ports of Jebel Ali and Hamad and will also cater to other ports in Persian Gulf. The service was flagged off by Hon'ble Minister MoPSW during SCI's Diamond Jubilee Celebration function held on 3rd Oct 2022.
- Your company executed an agreement with Union Territories of Lakshadweep Administration (UTLA) in February 2022 for Operation and Management (O&M) of 21 nos. diversified fleet of vessels comprising Passenger vessels, High Speed Passenger Crafts, POL vessels, Cargo vessels and Harbor Tugs.
- In March 2022, a historic Memorandum of Understanding (MOU) was signed between Inland Waterways Authority of India (IWAI) & Inland & Coastal Shipping Ltd (ICSL), a wholly owned subsidiary of Your Company for taking over of two RO-RO vessels, M.V. Gopinath Bordoloi & M.V. Sankar Dev of IWAI.
- In yet another historical event showcasing and promoting Diversity and Inclusivity (D&I) in the Global Shipping Industry, Your Company successfully organized 'All Women Merchant Officers' sailing on M.T. Swarna Godavari for celebrating the Inaugural IMO International Day for Women in Maritime. This is second such event in succession. The vessel was flagged off from Jawahar Dweep oil terminal, Mumbai on 14th May, 2022 by Smt. Meenakshi Lekhi Hon'ble Union Minister of State, Ministry of External Affairs and Union Minister of State, Ministry of Culture.
- India - Maldives Cargo Shipping Service was jointly launched on 21.09.2020, adding a new chapter in the connectivity initiatives taken by both the countries in the Indian Ocean Region (IOR), connecting Indian Ports of Cochin and Tuticorin with Kulhuduffushi and Male.



CHAIRMAN'S MESSAGE

Azadi Ka Amrit Mahotsav Celebrations

To commemorate the 75 years of Independence of the progressive India and its glorious history encompassing its people, culture and achievements, your company celebrated the Azadi Ka Amrit Mahotsav (AKAM) with great fervour. A series of activities were organized by Your Company to celebrate the milestone, such as talk on freedom fighters, quiz to increase awareness of freedom fighting movements, programs intended for employees and family welfare, felicitation of Freedom Fighters, felicitation of seafarers, plantation drive, free COVID vaccination camps and participation in AKAM Mega show organized by Department of Public Enterprise at Gandhinagar, Gujarat wherein SCI showcased its contribution in nation building.

Awards & Accolades bestowed upon your company during FY 2021-22

- Amity Excellence Award for Exceptional Leadership was given to Smt. H.K. Joshi C&MD on 28th April 2021.
- Your Company received the prestigious NMDC Award on the Occasion of 'Day of the Seafarer', celebrated on 25th June 2021 for the historic journey of M.T. Swarna Krishna, being the first Indian Flag vessel with all Women Officers on board.
- The Central Board of Indirect Taxes and Customs issued a certificate of appreciation to Your Company for prompt filing of returns and payment of GST up to 31.03.2021.
- Your Company received HR Excellence award during the The Governance Now 8th PSU Awards held on 29th July 2021. Smt. H. K. Joshi C&MD SCI received CMD Leadership Award.
- During the 5th Edition of India Maritime Awards organized by Daily Shipping Times following awards were conferred:
 - a. Your Company was felicitated for completion of 60 glorious years.
 - b. Your Company was conferred with Runner Up Award for the Coastal Service Operator of the Year and the Main Line Container Operator of the Year with Widest Sector Coverage.
 - c. Smt. H. K. Joshi, C&MD received "Woman Star in Shipping & Logistics" Award.
- Your Company was awarded second prize in "Swachhata Pakhwada" Awards 2019 by the Ministry of Ports, Shipping and Waterways
- During the 11th Maritime & Logistics Awards (MALA) 2021 held on 18th November 2021, Your Company was awarded "Shipping & Logistics Super Brand of the Year Award" and Felicitated for "60 successful years of being the Flagship of Indian Maritime Trade".
- "The Maritime Standard Personality of the Year" award was presented to C&MD, SCI, Smt. H.K. Joshi during The Maritime Standards Awards 2021, Dubai.
- National Maritime Search & Rescue Award (NMSAR) for the year 2019-20 from the Indian Coast Guard was given to Your Company managed and ONGC owned Offshore Vessel Col S P Wahi for prompt SAR operation on 4th Aug 2020 saving 16 survivors from abandoned Indian fishing boat
- Smt H. K. Joshi, CMD SCI was awarded "Champion of Diversity Award" during the Maritime SheEO Conference 2021 held on 25th November 2021.
- During the 8th Samudra Manthan Awards held on 16th December 2021, Your Company was awarded 'Shipping Company of the Year (Indian) and Smt. H. K. Joshi C&MD, SCI was honored with "Empowered Women of the Year Award".
- Special Jury Award to Woman Role Model in Maritime Industry was given to Smt H. K. Joshi C&MD SCI during the 7th Edition of East Coast Maritime Forum 2022 concurrent with Eastern Star Awards 2022 held on 24th February 2022.
- Smt. H. K. Joshi C&MD was felicitated with "Maritime Personality Award of the Year" at Gujarat Star Awards 9th edition during the function held on 12th March 2022.
- On 22nd March 2022, Smt. H. K. Joshi C&MD was felicitated with CEO with HR Orientation Award by World HRD Congress.

Acknowledgements

I would like to express my gratitude to the Government of India for its support to your Company. I wish to thank the Hon'ble Minister of Ports, Shipping and Waterways, Shri. Sarbanand Sonowal and Hon'ble Minister of States of Ports, Shipping and Waterways, Shri Shripad Naik and Shri Shantanu Thakur for their leadership and consistent support provided to your company. I would also like to express my gratitude towards Secretary (MoPSW) for his guidance and support. 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 Maritime Sector and specifically by your Company. I also wish to express my special appreciation towards all the shareholders, stakeholders, my colleagues on the Board of Directors and all the floating and shore employees for their continued support over the years.

Atul Ubale

Chairman & Managing Director (A/C)

BOARD OF DIRECTORS



CAPT. B.K. Tyagi



Shri Sanjay Kumar



Shri Vikram Singh



Shri Pramod Kumar Panda



Shri Atul Ubale



Shri P.K. Gangopadhyay



Shri Gulabbhai Rohit



Shri Shreekant Pattar



Shri KNP Chakravarthy



Dr. Anil Kumar Misra



Ms. Arunima Dwivedi



Shri Vikram Dingley



Shri C.I. Acharya

CAPT. B.K. Tyagi
CHAIRMAN & MANAGING DIRECTOR

Capt. Binesh Kumar Tyagi has taken over as Chairman and Managing Director of The Shipping Corporation of India Ltd. with effect from 03.09.2022. Capt. Binesh Kumar Tyagi was erstwhile heading the Liner and Passenger Services Division as Director (L&PS), since 8th January 2021. He also held additional charge of Director (T&OS) from 01.05.2021 to 18.05.2022.

In his distinguished Shipping career spanning over 32 years in SCI, he has held many responsible appointments, both Afloat and Ashore. After graduation, Capt Tyagi joined SCI in 1990, as Trainee Nautical Officer (TNO). He served on board various ships, in different ranks, including as Master. In 2004, he was absorbed ashore, wherein he served at various Management level positions and performed Technical, Vetting, Chartering, Training, Marine HR, Liner, Passenger, Inland Waterways, offshore and S&P functions.

Capt Tyagi is also on the board of ICSL since 20th November 2020 and has contributed in the field of IWT.

He is a well-rounded shipping professional with qualification in Ship operation, Navigation, Chartering, General Shipping Management, Port Development & Management and Law.

Capt. Tyagi is IIMA alumni and also member of various professional bodies like ICS (London), CILT, NMIS, Nautical Institute London, CMMI, Institute of Directors.

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.

Shri Vikram Singh
GOVERNMENT DIRECTOR

Shri Vikram Singh, (IRTS: 1997), Joint Secretary, Ministry of Ports, Shipping & Waterways looks after the portfolio of Shipping Wing and PHRD matters relating to Ports. He is Chief Vigilance Officer (CVO) of the Ministry. He worked as Director, Passenger Marketing in Railway Board.

Shri Pramod Kumar Panda
INDEPENDENT DIRECTOR

Shri Pramod Kumar Panda, a career central banker, specializes in financial regulations, banking supervision, financial inclusion and capacity building. 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. 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 is Director on the Board of Corporation Bank as RBI's nominee. He was 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 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.

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 13 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 financial inclusion and inclusive finance.

Shri Atul Ubale
DIRECTOR (BULK CARRIER TANKER)

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,

BOARD OF DIRECTORS

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.

In addition to being Director (Bulk Carrier and Tankers) , Shri Atul Ubale also held additional charge of Director (P&A) during the period of 1st December 2020 to 5th September 2021, there by adding to his already rich and diverse experience. In a difficult year that saw unforeseen challenges due to COVID, his emphasis on safety and deft handling of human resource ensured that the business continuity remained unhindered. Under his charge, multiple COVID 19 vaccination drives were conducted in SCI, thereby benefitting thousands of stakeholders and citizens at large.

Shri Atul Ubale was appointed as Chairman and Managing Director (Additional Charge) of SCI from 1.6.2022 to 31.8.2022.

Shri P.K. Gangopadhyay DIRECTOR (PERSONNEL & ADMINISTRATION DIVISION)

Shri P. K. Gangopadhyay has taken over as Director, Personnel & Administration, on 7th September 2021. During his career spanning over 34 years in SCI, he has successfully handled diverse portfolios

both onboard vessels and ashore. Shri P. K. Gangopadhyay, post completing Mechanical Engineering and obtaining Certificate of Competency, joined SCI fleet in 1988 as a Marine Engineer, wherein he served and gained valuable experience on board diverse vessels. After serving as Chief Engineer onboard vessels, he was absorbed ashore in 2002. During his stint ashore, he has served at varied Management level positions in domains of Techno Commercial management and Human Resources management. He has rich experience as a Shipping Professional, which broadly includes handling of operations onboard vessels, management & execution of technical projects, review & optimization of business processes, sourcing & management of appropriate manpower for fleet & shore operations, and administration.

Shri Gulabbhai Rohit INDEPENDENT DIRECTOR

Shri Gulabbhai Lakhubhai Rohit Post Graduated from South Gujarat University, MBA from IIFCM and AMFI and CA (Inter). He has started Tax Consultancy, since 05th September 1997, as an Income Tax Practitioner, VAT Practitioner and GST Practitioner since July 2017. He is also Investment advisor in Insurance Sectors and Mutual Fund sectors. He has overall 24 years vast experience in Accounting, Taxations, (Direct and Indirect Taxation) Internal Audits and Tax Audits and Manage Investment Port Folio of customers. Also he is Industrial Consultant for Factory and Pollution matter. He is BJP Vice President SC MORCHA DNH.

Shri Gulabbhai Lakhubhai Rohit is also running various social activities under his own Foundation. He is Founder and Director of MUKTISHREY FOUNDATION (Regi.No.U85300DN2020NPL005630.) undertaking social activities for SC/ST students, plantations at various places in the Dadra and Nagar Haveli, Blood Donation

Camps, Religious activities/Sports activities under his foundation.

Shri Shreekant Pattar INDEPENDENT DIRECTOR

Shri Shreekant Pattar has done his M.A., B.Ed., and has been actively working in the education sector since two decades. He mastered Kannada Literature, Indian History and Indian Constitution. He is involved in the co-operative sector from 12 years and serving as a founder Director of a Co-Operative Society.

Shri Pattar has expertise and wide experience of around 15 years as Trainer for Competitive Exams and as a lecturer. He is a Founder Director of 'Pratibhaloka Career Academy', Competitive Examination Study Centre for Teacher Recruitment, Police, PSI, FDA, SDA, RRB, K.A.S. and Pre-competitive exams such as banking (CET, CAT). Several aspirants got selected for State Government Services as well as Indian Railways and Banking sector.

Shri Shreekant Pattar is also serving as the Secretary of JSG Foundation's Science P U College, Talikoti, Vijayapur district, Karnataka which targets rural talented youth to pursue higher education.

Being a Motivational Speaker, he delivered Special lectures on Personality Development and 'Vachana' Literature in various schools, colleges and seminars across the state. He is a regular speaker at various literary and cultural forums. He has penned many articles which are published in various magazines and periodicals on the topics related to social reforms. With an authoritative voice and calm demeanour, he is a popular Narrator. His oratory skills influence audiences. Shri Pattar participated as a guest in several live Programmes in different TV Channels. He served as co-editor of the conference's commemorative titled "Kote dhvani", during the first taluk Kannada Sahitya Sammelana event, and titled "Bili Jwala Jeeva Jeevala" during District Kannada Sahitya Sammelana held in

2019, at Talikoti. He is the Founder President of Srujanasheela Chintana Balaga— a forum of intellectuals. He is serving as President, Alumni Association, S.K. Degree College of Arts, Commerce & Science, Talikoti and also served as Honorary Secretary of Kannada Sahitya Parishat, Talikoti Taluk Unit.

Shri KNP Chakravarthy **INDEPENDENT DIRECTOR**

Shri K N P Chakravarthy holds a Masters' Degree in Business Administration from Vinayaka Missions University, Salem; studied in GITAM College, graduated with Bachelor of Science from JRN RV University, also holds a Graduate Diploma in Physical Education from Sri Venkateswara University, Tirupati and has done his Schooling at Sainik School, Korukonda, Vizianagaram which is one of the best schools in India working under Ministry of Defense.

Shri Chakravarthy started his career as a Medical Representative with Madras Medical Company(MMC) and rose up to the position of Area Manager (Regional) in reputed pharmaceutical companies with an overall experience of 8 years in Pharma Industry. He later worked with Max Newyork Life, a Multi-National Company as an Associate Sales Manager and rose up to the position of Senior Sales Manager in a period of 4 years.

Shri Chakravarthy organized many social activities like distributing essential commodities to the needy in remote areas; organized medical camps by distributing anti-malarial kits, anti-filarial kits to the downtrodden tribes living at hill stations on behalf of SERVE-an NGO. He extended help to the poor and effected people in and around Visakhapatnam during Hudhud (a National cyclonic disaster). Organized nearly 32 blood donation camps in a span of 8 years with various NGOs.

He established ALL INDIA CORPORATE EMPLOYEES WELFARE ASSOCIATION

and being Founder President, resolved hundreds of cases across India regarding job insecurity for the employees working with Corporate Companies.

Dr. Anil Kumar Misra **INDEPENDENT DIRECTOR**

Dr. Anil Kumar Misra is currently serving as H.O.D. at Department of History, V.S.S.D. College, Kanpur, Uttar Pradesh. A postgraduate in history, he also holds an LL.B. and Ph.D. degree, all from C.S.J.M. University, Kanpur. He has a teaching experience at postgraduate level, of 32 years and counting. He has been serving as the president of Itihaas Sankalan Samiti, Kanpur Prant. Dr. Misra has contributed in varied administrative capacities at CSJM University. Over the years, he has conducted several national seminars and published over two dozen outstanding research papers in reputed national journals. His understanding for the value of quality education has brought him into management body of numerous academic institutions. Understanding his social obligations, Dr. Misra proactively and consistently contributes at various cultural, social and charitable platforms. His efforts towards social and educational upliftment of society have been thoroughly acknowledged.

Ms. Arunima Dwivedi **INDEPENDENT DIRECTOR**

Ms. Arunima Dwivedi, Advocate, Post Graduated [M.Sc. (Physics)] from Utkal University and did law from Gujarat University. She started practicing law from 1999, putting in almost 23 years of vast experience in Civil law, Criminal law, Banking law, Property law, Administrative law, Labour law and with specialization in Commercial law, Corporate law. She is Advocate-on-Record in the Supreme Court of India and also represents the Govt. of India before the Supreme Court of India and Delhi High Court. She also has experience in Mediation and Arbitration and is a full time

Mediator with Delhi High Court Mediation Centre. She also worked with number of NGOs and does free legal Aid camps. She is working relentlessly towards enabling women to become capable of making her own decisions and fight for their rights. Her work aims at safer and better lives for women and children

Shri Vikram Dingley **DIRECTOR (TECHNICAL & OFFSHORE SERVICES)**

Mr Vikram Dingley assumed charge as Director (T&OS) on 19th May 2022. He holds a first class Bachelor degree in Mechanical Engineering from Regional Engineering College Srinagar and a First Class Marine Engineer license. He has more than 33 years of professional experience and has extensive experience in new building projects from conceptualization to ship delivery, technical operations and management of in service vessels, dry-dockings and safety management.

Shri C.I. Acharya **DIRECTOR (FINANCE)**

Shri C I Acharya is a Commerce Graduate from Mumbai University, a Chartered Accountant, a Cost Accountant & a Chartered Financial Analyst (CFA). Shri Acharya has cross functional experience of over three decades in the fields of Finance, Taxation, Audit, International Trade, Enterprise Risk Management, Corporate Strategy & Commercial. He carries over two decades of rich diversified experience at Mangalore Refinery and Petrochemical Limited (MRPL), a part of mammoth ONGC group.

LIST OF GENERAL MANAGERS

| S. No | NAME | TITLE | DES | LOCATION | DIVISION |
|-------|-----------------------|-------|-----|----------|----------|
| 1 | MISRA SANDEEP | Mr. | GM | MUM | B&T |
| 2 | MURUGADAS J. | Mr. | GM | MUM | IT |
| 3 | VINOD G. | Mr. | GM | MUM | L&PS |
| 4 | SERRAO LAWRENCE | Mr. | GM | MUM | F&A |
| 6 | BANDEKAR S. R. | Mr. | GM | MUM | B&T |
| 7 | SAINI MANJIT SINGH | Mr. | GM | MUM | P&A |
| 8 | N. SUBRAMANYA PRAKASH | Mr. | GM | MUM | F&A |
| 9 | PURUSHOTHAM JAYARAMAN | Mr. | GM | MUM | B&T |



DECADE AT A GLANCE (STANDALONE)

OPERATIONAL STATISTICS

(Figures in Crores of ₹)

| | IGAAP | | | | | | IND AS | | | | | |
|-------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2015-16* | 2016-17 | 2016-17** | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Operating Earnings | 4152.5 | 4155.2 | 4153.8 | 4078.3 | 4049.9 | 3446.9 | 3447.4 | 3469.5 | 3872.9 | 4425.4 | 3703.3 | 4,994.9 |
| Interest Income | 107.3 | 103.3 | 145.9 | 113.2 | 114.1 | 106.4 | 106.4 | 86.3 | 90.5 | 81.2 | 65.6 | 72.6 |
| Other Income | 236.4 | 280.5 | 288.0 | 85.7 | 50.7 | 38.8 | 38.8 | 61.7 | 141.8 | 161.8 | 60.0 | 31.5 |
| Total Earnings | 4496.2 | 4539.0 | 4587.6 | 4277.2 | 4214.7 | 3592.1 | 3592.6 | 3617.5 | 4105.2 | 4668.4 | 3828.8 | 5,098.6 |
| Operating Expenses | 3273.7 | 3112.3 | 2794.2 | 2339.6 | 2098.8 | 2141.3 | 2178.0 | 2,223.0 | 2,533.0 | 2,558.3 | 1,999.0 | 2,900.5 |
| Employee Benefits | 444.3 | 411.1 | 413.6 | 457.4 | 487.0 | 457.7 | 418.2 | 485.9 | 447.6 | 476.5 | 473.8 | 485.4 |
| Finance Costs | 161.8 | 206.1 | 179.3 | 160.6 | 171.9 | 172.2 | 172.2 | 179.8 | 359.1 | 364.1 | 21.1 | 157.7 |
| Depreciation | 760.5 | 856.4 | 770.2 | 580.0 | 542.3 | 566.1 | 566.1 | 610.3 | 658.5 | 671.2 | 627.9 | 635.4 |
| Other Expenses | 224.1 | 174.5 | 154.2 | 179.5 | 125.4 | 77.7 | 72.5 | 89.0 | 181.9 | 250.7 | 72.2 | 81.4 |
| Impairment | - | - | - | 136.4 | - | - | - | - | - | - | - | - |
| Extraordinary items | (299.7) | - | - | - | - | - | - | - | - | - | - | - |
| Tax Liability | 45.8 | 53.3 | 75.2 | 46.5 | 36.1 | 41.7 | 43.5 | (224.3) | 47.1 | 45.2 | 16.7 | 43.4 |
| Total Expenses | 4610.5 | 4813.7 | 4386.7 | 3900.0 | 3461.5 | 3456.7 | 3450.5 | 3363.7 | 4227.2 | 4366.0 | 3210.7 | 4303.8 |
| Profit after Tax | (114.3) | (274.7) | 200.9 | 377.2 | 753.2 | 135.4 | 142.1 | 253.8 | (122.0) | 302.4 | 618.1 | 794.8 |

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

FINANCIAL HIGHLIGHTS:

(Figures in Crores of ₹)

| | IGAAP | | | | | | IND AS | | | | | |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31-03-13 | 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 | 31-03-21 | 31-03-22 |
| WHAT THE COMPANY OWNED | | | | | | | | | | | | |
| Fixed Assets | | | | | | | | | | | | |
| Gross Block | 16556.8 | 17486.3 | 17,297.9 | 18154.4 | 15851.31 | 15945.612 | 15945.61 | 15,986.2 | 15,594.9 | 15,218.3 | 15,364.7 | 13,023.5 |
| Less: Depreciation (Cum) & Impairment | 5017.0 | 5551.6 | 5,853.4 | 6551.02 | 4024.1 | 4534.93 | 4534.93 | 4,638.2 | 4,475.8 | 4,565.1 | 5,190.3 | 5,398.7 |
| Net Block | 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 | 10,174.4 | 7,624.7 |
| Assets under Construction | 1572.5 | 710.9 | 490.9 | - | - | 27.3 | 27.3 | 7.8 | 7.6 | 2.8 | 32.7 | 58.3 |
| Other Net Assets (Net of other Liabilities) | 1550.1 | 1837.6 | 1,341.3 | 1139.6 | 1027.0 | 216.4 | 226.4 | 25.8 | (441.1) | (605.0) | 905.4 | 1,567.1 |
| Investments | 117.7 | 113.5 | 90.1 | 65.3 | 65.7 | 74.6 | 74.6 | 130.9 | 77.1 | 77.3 | 77.1 | 78.4 |
| Non Core Assets held for Demerger | - | - | - | - | - | - | - | - | - | - | - | 2,392.4 |
| Total | 14780.6 | 14596.7 | 13,366.8 | 12,808.3 | 12,919.9 | 11,729.1 | 11,739.1 | 11,512.5 | 10,762.7 | 10,128.3 | 11,189.5 | 11,720.9 |
| WHAT THE COMPANY OWED | | | | | | | | | | | | |
| Long Term Funds: | | | | | | | | | | | | |
| Bank Loans | 7707.4 | 8000.5 | 6,833.2 | 5897.9 | 5844.8 | 4518.1 | 4518.1 | 3,790.6 | 2,963.7 | 2,189.4 | 1,475.0 | 1,265.5 |
| Unsecured Loans | 457.0 | 256.4 | - | - | - | - | - | 520.4 | 726.3 | 565.4 | 1,756.7 | 1,481.9 |
| Total Long Term Funds | 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 | 3,231.7 | 2,747.4 |
| Deferred Tax Liability | - | - | - | - | 351.6 | 343.6 | 388.2 | 104.0 | 91.5 | 75.3 | 55.8 | 0.8 |
| Liabilities directly associated with assets classified as Held for Demerger | - | - | - | - | - | - | - | - | - | - | - | 273.0 |
| 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 | 6150.4 | 5874.0 | 6,067.8 | 6444.6 | 6257.7 | 6401.6 | 6367.0 | 6,631.8 | 6,515.4 | 6,832.4 | 7,436.2 | 5,860.3 |
| Other Equity Held for Demerger | - | - | - | - | - | - | - | - | - | - | - | 2,373.6 |
| Total | 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 | 7,902.0 | 6,326.1 |
| Dividend paid# | - | - | - | - | - | - | - | - | - | - | 34.93 | 11.64 |
| Dividend % *** | - | - | - | - | - | - | - | - | - | 7.5 | 2.5 | 3.3 |

*Figures are restated as per Ind AS

** Figures are restated as per Ind AS 8

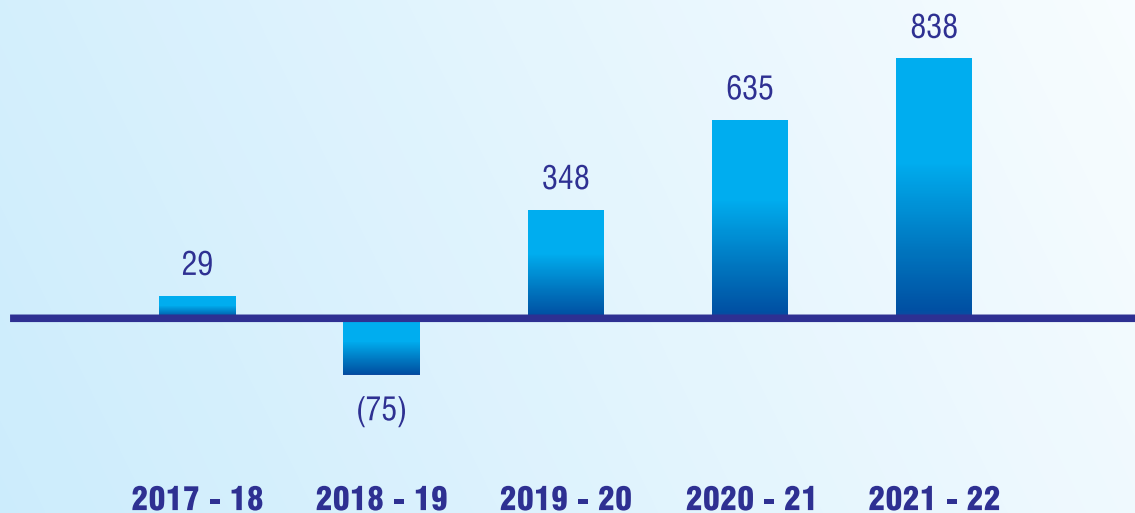
*** The Board of Directors, in its meeting held on 6th May, 2022, has recommended a dividend of Rs 0.33/- per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2022 which is subject to the approval of the shareholders at the Annual General Meeting.

Dividend Declared for FY 19-20 of Rs. 34.93 Crores were paid in FY 2020-21 and Dividend declared for FY 2020-21 of Rs. 11.64 Crores were paid in FY 2021-22

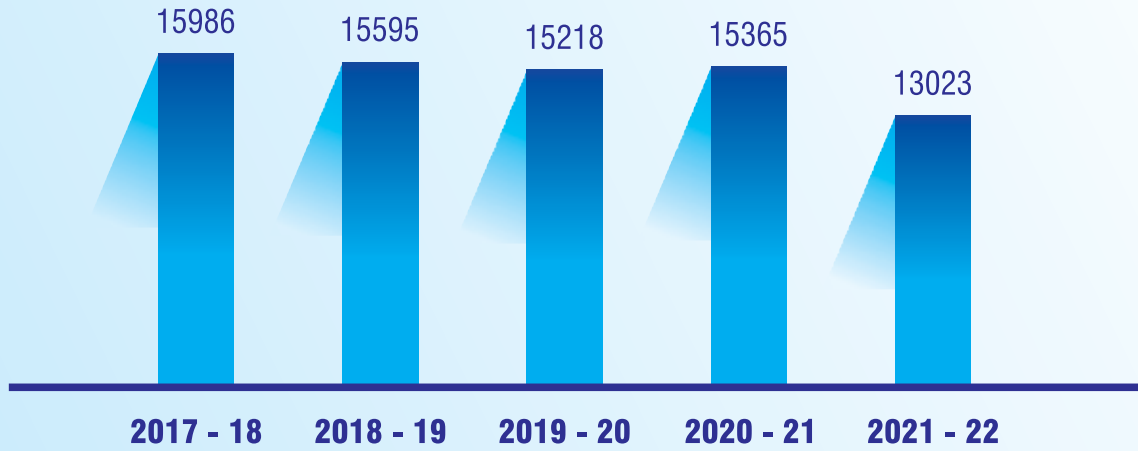
TOTAL INCOME (in ₹ Crores)



PROFIT BEFORE TAX (in ₹ Crores)



GROSS BLOCK (in ₹ Crores)



DEBT EQUITY RATIO



GRAPHS (STANDALONE)

BOOK VALUE PER SHARE AT THE END OF FINANCIAL YEAR (in ₹)



SALIENT STATISTICS

| | |
|---|---|
| Authorized Capital | ₹ 1000.00 Crores |
| Subscribed & Paid-up Capital | ₹ 465.80 Crores |
| Gross Earnings | ₹ 5098.59 Crores |
| Gross Investment on Fleet | ₹ 12011.96 Crores |
| No. of Passengers carried (including managed vessels) | Mainland - 521 Inter-Island - 58,542 Foreshore - 1,86,432 |
| No. of Employees (including crew) (As on 1 st May 2022): | |
| Shore employees | 540 |
| Contract | 21 |
| Retainers (Doctors) | 7 |
| Trainees | 10 |
| Fleet (seafarers on board including contract) | 1671 |
| Trainees | 349 |
| Vessels Owned (As on 1 st May 2022) | |
| • Number | 59 |
| • Tonnage | 5.311 million DWT 2.940 million GT |
| Vessels on Order (As on 1.7.2022) | NIL |
| No. of Acquisitions (from 01.04.2021- 01.07.2022) | NIL |



NOTICE OF MEETING

NOTICE is hereby given that the 72nd Annual General Meeting of The Shipping Corporation of India Limited (“the Company”) will be held on Wednesday, 28th September, 2022 at 12.00 hours 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, 2022 together with the Reports of the Board of Directors and the Auditors thereon.
2. To approve and declare Dividend of Re.0.33/- Per Equity Share of Rs 10/- each for the Financial Year 2021-22.
3. To appoint a Director in place of Capt. Binesh Kumar Tyagi (DIN: 08966904) who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To fix remuneration of Auditors for the Financial Year 2022-23.

SPECIAL BUSINESS:

5. Appointment of Shri Prabir Kumar Gangopadhyay (DIN: 09310988) as a Whole – Time Director of the Company.

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

RESOLVED THAT pursuant to the Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Article 125 of the Articles of Association of the Company, Shri Prabir Kumar Gangopadhyay (DIN: 09310988), who has been appointed by the Ministry of Ports, Shipping and Waterways, Government of India as an Director (Personnel & Administration) of the Company and was appointed as an Additional Director of the Company by the Board of Directors with effect from 07.09.2021 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 2021-22 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 Whole-time Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for the appointment of Shri Prabir Kumar Gangopadhyay (DIN: 09310988) as a Whole-time Director on the Board of the Company.

6. Appointment of Shri Gulabbhai Lakhubhai Rohit (DIN: 08916645) as a Non-official (Independent) Director of the Company.

To consider and pass the following resolution as Special Resolution.

RESOLVED THAT pursuant to the Sections 149,152,161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Article 125 of the Articles of Association of the Company, Shri Gulabbhai Lakhubhai Rohit (DIN: 08916645), who has been appointed by the Ministry of Ports, Shipping and Waterways, Government of India as a Non-official (Independent) Director of the Company and was subsequently appointed as an Additional Director by the Board of Directors of the Company with effect from 22.11.2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2021-22 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 a Non-official (Independent) Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for the appointment of Shri Gulabbhai Lakhubhai Rohit (DIN: 08916645) as a Non-official (Independent Director) on the Board of the Company.

7. Appointment of Dr. Anil Kumar Misra (DIN: 09427416) as a Non-official (Independent) Director of the Company.

To consider and pass the following resolution as Special Resolution.

RESOLVED THAT pursuant to the Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Article 125 of the Articles of Association of the Company, Dr. Anil Kumar Misra (DIN: 09427416), who has been appointed by the Ministry of Ports, Shipping and Waterways, Government of India as a Non-official

(Independent) Director of the Company and was subsequently appointed as an Additional Director of the Company by the Board of Directors with effect from 07.12.2021 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 2021-22 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 a Non-official (Independent) Director of the Company, not liable to retire by rotation.”

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for the appointment of Dr. Anil Kumar Misra (DIN: 09427416) as a Non-official (Independent) Director on the Board of the Company.

8. Appointment of Ms. Arunima Dwivedi (DIN: 09427417) as a Non-official (Independent) Director of the Company.

To consider and pass the following resolution as Special Resolution.

RESOLVED THAT pursuant to the Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Article 125 of the Articles of Association of the Company, Ms. Arunima Dwivedi (DIN: 09427417), who has been appointed by the Ministry of Ports, Shipping and Waterways, Government of India as a Non-official (Independent) Director of the Company and was subsequently appointed as an Additional Director of the Company by the Board of Directors with effect from 07.12.2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2021-22 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 a Non-official (Independent) Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for the appointment of Ms. Arunima Dwivedi (DIN: 09427417) as a Non-official (Independent) Director on the Board of the Company

9. Appointment of Shri Shreekanth Tejappa Pattar (DIN: 09427418) as a Non-official (Independent) Director of the Company.

To consider and pass the following resolution as Special Resolution.

RESOLVED THAT pursuant to the Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Article 125 of the Articles of Association of the Company, Shri Shreekanth Tejappa Pattar (DIN: 09427418), who has been appointed by the Ministry of Ports, Shipping and Waterways, Government of India as a Non-official (Independent) Director of the Company and was subsequently appointed as an Additional Director by the Board of Directors of the Company with effect from 07.12.2021 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 2021-22 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 a Non-official (Independent Director) of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for the appointment of Shri Shreekanth Tejappa Pattar (DIN: 09427418) as a Non-official (Independent) Director on the Board of the Company.”

10. Appointment of Shri Nageswara Pramod Chakravarthy Kalla (DIN: 09427415) as a Non-official (Independent) Director of the Company.

To consider and pass the following resolution as Special Resolution.

RESOLVED THAT pursuant to the Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Article 125 of the Articles of Association of the Company, Shri Nageswara Pramod Chakravarthy Kalla (DIN: 09427415), who has been appointed by the Ministry of Ports, Shipping and Waterways, Government of India as a Non-official (Independent) Director of the Company and was subsequently appointed as an Additional Director of the Company by the Board of Directors with effect from 07.12.2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies

NOTICE OF MEETING

Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for the Financial Year 2021-22 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 a Non-official (Independent) Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for the appointment of Shri Nageswara Pramod Chakravarthy Kalla (DIN: 09427415) as a Non-official (Independent) Director on the Board of the Company.

11. To ratify transaction under Section 185 of the Companies Act, 2013.

To consider and pass the following resolution as Special Resolution.

RESOLVED THAT pursuant to the Section 185 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Act, Rules, Circulars and Notifications issued thereunder by the competent authority (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time) Security provided and Guarantee(s) issued by the Company in nature of pledge of shares held by the Company in the Joint Venture of the company India LNG Transport Company (No. 3) Limited ("ILT-3") (Sponsors Security), Sponsors Undertaking, Managers Undertaking, Deed of Subordination and such other notices, letters, undertakings, documents executed in favor of Sumitomo Mitsui Banking Corporation (SMBC) in connection with the Loan in the nature of Re-Financing facility, amounting to US\$101,714,000/- vide loan agreement dated 03.09.2021 for a period of 13 years beginning from the drawdown date, availed by ILT-3 (Joint Venture of the Shipping Corporation of India Limited), be and are hereby ratified.

RESOLVED FURTHER THAT all other act(s), things, documents, deeds, notices, letters, undertakings done, entered into and executed by the Directors of the Company or any other person authorized by the Board of Directors of the Company in connection with or to give effect to the aforesaid transaction, be and are hereby ratified.

**By Order of the Board of Directors
For The Shipping Corporation of India Limited
Swapnita Vikas Yadav
Company Secretary and Compliance Officer**

Registered Office:

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

Dated: 05.08.2022

NOTES:

1. In view of the massive outbreak of COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and 3/2022 dated May 05, 2022 (collectively referred to as "MCA Circulars") and Circular dated May 12, 2020, January 15, 2021 and dated May 13th, 2022 issued by the Securities and Exchange Board of India ("SEBI 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/SEBI Circulars, the AGM of the Company is being held through VC/OAVM. Members are requested to attend and participate in the ensuing EGM/AGM through VC/OAVM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Shipping House, 245, Madame Cama Road, Mumbai - 400 021 which shall be deemed venue of the AGM.
2. Pursuant to the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended), and in accordance with the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by the member using remote e-Voting system as well as voting from the Venue on the date of the AGM will be provided by NSDL.
3. Facility of joining the AGM through VC/OAVM shall open 1 hour before the scheduled time for the AGM and shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more Shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of



NOTICE OF MEETING

- first come first served basis.
4. Statement pursuant to section 102(1) of the Companies Act, 2013 (the 'Act') forms part of this Notice. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI LODR Regulations, 2015 and Secretarial Standards on the General Meetings (SS-2) issued by the ICSI, in respect of Directors seeking appointment/ re-appointment at this AGM are also annexed with this Notice.
 5. 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, attendance slip and route map are not annexed to this Notice.
 6. A person who is not a Member as on cut-off date of remote e voting i.e 23.09.2022, should treat the notice for information purpose only.
 7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 8. 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 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 Scrutinizer by e-mail at info@mehta-mehta.com with a copy marked to evoting@nsdl.co.in and sci.cs@sci.co.in on or before 24.09.2022 till 05:00 PM (IST).
 9. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.09.2022 to 28.09.2022 (both the dates inclusive).
 10. The Members, whose names appear in the Register of Members/ list of beneficial owners as on Friday, 23.09.2022 i.e., the date prior to commencement of Book closure, will be paid the dividend as recommended by the Board, if approved at the AGM.
 11. The dividend once approved by the Shareholder in the ensuing AGM will be paid within 30 days from date of AGM electronically through various online transfer mode 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 to their registered address. To avoid delay in receiving dividend, Shareholders are requested to update their bank details and KYC with Registrar and Transfer Agent (RTA)/Depositories.
 12. 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 01, 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 Telephone No. – 022-62638200.
 13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depositories 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.
 14. 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 Depositories in case the shares are held by them in electronic form and to the RTA of the Company in case the shares are held by them in the physical form. Members are requested to contact the Registrar and Transfer Agent (RTA) of the company Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. Tel: 022-62638200, Fax: 022 62638299. Email: investor@bigshareonline.com Website: www.bigshareonline.com
 15. Members are requested to note that, pursuant to Section 124 of the Companies Act 2013, dividends if not claimed by the entitled Shareholders 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.
 16. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories/RTA as on Friday, 05th August, 2022. Members may note that the Notice and Annual Report 2021-22 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 also on the website of NSDL www.evoting.nsdl.com. Any person acquiring shares after the dispatch of notice of AGM but holding shares as on Friday 23.09.2022, may visit SCI's website www.shipindia.com under 'Financial Results → Annual Reports' section to view the Annual Report 2021-22.
 17. The Board of Directors at its meeting held on 06.05.2022, had recommended a Dividend of Re.0.33/- per equity share of Rs.10/- each for the financial year ending 31st March, 2022 subject to approval of the Shareholders at the ensuing Annual General Meeting. The Dividend, if approved by the Shareholders at the ensuing Annual General Meeting will be paid to those Shareholders whose names stand

NOTICE OF MEETING

as beneficial owners as at the end of business on Friday 23.09.2022 ("Record Date").

18. Taxability and Other Dividend Related Information

As per the Income Tax Act, 1961 ("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 said Final Dividend, if declared at the AGM.

The Finance Act, 2021 has inserted a special provision for deduction of tax at source for non-filers of income-tax return u/s 206AB under the Income-tax Act, 1961 ("IT Act"). This section will be effective from 1st July, 2021.

According to the relevant provisions of section 206AB of the IT Act, in case the Company is paying any sum to any persons, the Company will be liable to deduct TDS at higher rate under IT Act, from such payment where –

(1) The *specified person* has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted (i.e. if ITR is not filed by the persons for FY 20-21), for which the time limit for furnishing the return of income under section 139(1) has expired and

(2) The aggregate of TDS deducted and TCS collected in the said previous year is INR 50,000/- or more.

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 2022-23 >Rs. 5,000 | - 10% in case where PAN is provided/available - 20%, in other cases where Section 206AA or 206AB becomes applicable | 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 can be downloaded from the website of the RTA at https://www.bigshareonline.com/Resources.aspx |
| If total Dividend income to a resident individual Shareholder in FY 2022-23 < Rs. 5,000 | NIL | NIL |
| Resident - Other than Individuals | | |
| Indian Commercial Banks/Indian Financial Institutions | 10% - 20%, in other cases where Section 206AA or 206AB becomes applicable | - |
| Insurance Companies: LIC & Other Insurance Companies such as GIC/United India Insurance Co/Oriental Insurance Co/New India Assurance Co 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. |
| 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. |

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| Particulars & Category of Shareholders | Rate of Tax Deduction | Exemption documents to be given |
|--|--|--|
| 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. |
| | 10% - 20%, in other cases where Section 206AA or 206AB becomes applicable | 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. |
| | 10% - 20%, in other cases where Section 206AA or 206AB becomes applicable | In case AIF other than those registered with SEBI as per Section 115UB of the Act. |
| Order under section 197 of the Act | Rate provided in the order | Lower/NIL withholding tax certificate obtained from Income Tax authorities. |
| Other resident shareholder without PAN/ Invalid PAN | 20% as per Sec 206AA or Rate as per Sec 206AB whichever is higher | - |

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 Act. If the provisions of section 206AA is applicable to a specified person, in addition to the provision of Sec 206AB, then tax shall be deducted at higher of the two rates provided in section 206AA and 206AB.
- 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 table:

| 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. Form 10F can be downloaded from the website of the RTA at https://www.bigshareonline.com/Resources.aspx <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> |

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| Category of Shareholder | Tax Deduction Rate | Exemption applicability/ Documentation requirement |
|---|--|---|
| 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 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 can be downloaded from the website of our RTA, Bigshare Services Private Limited at <https://www.bigshareonline.com/Resources.aspx>. The above-mentioned documents (duly completed and signed) are required to be sent to company's RTA at their email ID at tds@bigshareonline.com

Please note that the duly completed and signed documents should be sent to the RTA before the record date for dividend i.e in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. 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 record date for dividend.

Further, Shareholders who have not registered their email address are requested to register the same with the Depositories in case the shares are held in Demat and with our RTA if the shares are held in physical form. Shareholders are further requested to update their Bank Accounts with the Depositories in case the shares are held in Demat and with our RTA if the shares are held in physical form. Shareholder holding shares in physical form can update their email ids/ bank/ Details online at company's RTA website at <https://www.bigshareonline.com/InvestorRegistration.aspx>

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.

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

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

21. 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 Sunday, 25th September, 2022 at 09:00 A.M and ends on Tuesday, 27th September, 2022 at 05:00 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 23rd September 2022, 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 of the Company have appointed M/s Mehta and Mehta, Company Secretaries as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. Ms. Ashwini Inamdar (Membership No. F 9409), Partner and failing her, Shri. Atul Mehta (Membership No. F 5782), Partner, will represent Mehta & Mehta, Company Secretaries. 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.
- IV. 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.
- V. Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password

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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. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, 23rd September, 2022 may follow steps mentioned in the Notice of the AGM under “**Access to NSDL e-Voting system**”

VI. The details of the process and manner for remote e-voting are explained herein below:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Sunday, 25th September, 2022 at 09:00 A.M and ends on Tuesday, 27th September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 23rd September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 23rd September, 2022.

How do I 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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div> |

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| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 18001020990 and 1800224430 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.
- 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***** |

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| | |
|---|---|
| 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*** |
|---|---|

5. Password details for shareholders other than Individual shareholders 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 ids are not registered.**
6. 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and who's voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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 Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@mehta-mehta.com with a copy marked to evoting@nsdl.co.in and sci.cs@sci.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

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.

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2. In case of any queries, 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.: 18001020990 and 1800224430 or send a request to Pallavi Mhatre at evoting@nsdl.co.in

Process for those Shareholders whose email ids are not registered with the RTA/Depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to evoting@nsdl.co.in In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@nsdl.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
2. Alternatively Shareholder/members may send a request to RTA at investor@bigshareonline.com for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

22. Process for updation of 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
 - Direct Dividend 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.
 - II. 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 Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. 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.
 - III. The Shareholders holding shares in physical form can update the email id and Bank account details on the website of the RTA at <https://www.bigshareonline.com/InvestorRegistration.aspx>

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

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b) 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.
- c) 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.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



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

- a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) 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.
- e) Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at sci.cs@sci.co.in. The same will be replied by the company suitably.
- f) 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 sci.cs@sci.co.in from Thursday 15th September 2022 to Tuesday 20th September 2022. 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.

25. Other Instructions

- a) 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 2 working days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- b) The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.shipindia.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Swapnita Vikas Yadav
Company Secretary and Compliance Officer

Registered Office:

Shipping House, 245, Madame Cama Road,

Mumbai – 400 021.

Date: 05.08.2022

ANNEXURE TO THE NOTICE

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

ITEM NO. 5:

APPOINTMENT OF SHRI PRABIR KUMAR GANGOPADHYAY (DIN: 09310988) AS A WHOLE-TIME DIRECTOR OF THE COMPANY.

The following statement sets out all the material facts relating to the resolution to be passed as mentioned in the accompanying Notice:

The Ministry of Ports, Shipping and Waterways vide its letter dated 06.09.2021 appointed Shri Prabir Kumar Gangopadhyay as Director (Personnel & Administration) on the Board of SCI. Accordingly, Shri Prabir Kumar Gangopadhyay was appointed as an Additional Director on the Board of SCI upon assumption of his charge i.e w.e.f 07.09.2021 in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also the provisions of the Articles of Association of the Company by the Board of Directors of the Company.

As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier.

In terms of provisions contained under Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Shri Prabir Kumar Gangopadhyay for the office of Director.

His brief resume containing other relevant details is annexed herewith.

Relevant documents, if any, referred to in this notice and the Explanatory statement pursuant to section 102 of the Act, will be available for inspection via electronic mode from the date of circulation of this notice upto the last date of remote e-voting. In the event, any Member desires to inspect such Documents, may write an email to the company at sci.cs@sci.co.in by mentioning their name, folio number/DP ID-Client ID, as applicable, Mobile number and copy of pan Card attached. The Company shall thereafter suitably make the Documents available on/through Electronic Mode.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution as set out for approval by the Members.

ITEM NO. 6:

APPOINTMENT OF SHRI GULABBHAI LAKHUBHAI ROHIT (DIN: 08916645) AS A NON-OFFICIAL (INDEPENDENT) DIRECTOR OF THE COMPANY.

The following statement sets out all the material facts relating to the resolution to be passed as mentioned in the accompanying Notice:

The Ministry of Ports, Shipping and Waterways vide its letter dated November 22nd, 2021 appointed Shri Gulabbhai Lakhubhai Rohit (DIN: 08916645) on the Board of SCI. Accordingly, Shri Gulabbhai Lakhubhai Rohit was appointed as an Additional Director on the Board of SCI w.e.f November 22nd, 2021 in terms of Section 161 of the Companies Act, 2013, rules made thereunder and as per the Articles of Association of the Company by the Board of Directors of the Company.

As per Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier.

SEBI vide amendment to the SEBI LODR, 2015 has added new Regulation 25 (2A) which was effective from January 01, 2022 and as per the new Regulation, listed entities are now required to ensure that appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a Special Resolution. In order to comply with this requirement, the Board of Directors of the Company has recommended seeking the approval of Members of the Company for appointment of Shri Gulabbhai Lakhubhai Rohit as a Non-Official (Independent) Director on the Board by means of a Special Resolution to comply with the amended provisions of SEBI LODR, 2015.

In terms of provisions contained under Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Shri Gulabbhai Lakhubhai Rohit for the office of Independent Director.

His brief resume containing other relevant details is annexed herewith.

Relevant documents, if any, referred to in this notice and the Explanatory statement pursuant to section 102 of the Act, will be available for inspection via electronic mode from the date of circulation of this notice upto the last date of remote e-voting. In the event, any Member desires to inspect such Documents, may write an email to the company at sci.cs@sci.co.in by mentioning their name, folio number/DP ID-Client ID, as applicable, Mobile number and copy of pan Card attached. The Company shall thereafter suitably make the Documents available on/through Electronic Mode.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out for approval by the Members.

ITEM NO. 7:

APPOINTMENT OF DR. ANIL KUMAR MISRA (DIN: 09427416) AS A NON-OFFICIAL (INDEPENDENT) DIRECTOR OF THE COMPANY.

The following statement sets out all the material facts relating to the resolution to be passed as mentioned in the accompanying Notice:

The Ministry of Ports, Shipping and Waterways vide its letter dated November 22nd, 2021 appointed Dr. Anil Kumar Misra (DIN: 09427416) on the Board of SCI. Accordingly, Dr. Anil Kumar Misra was appointed as an Additional Director on the Board of SCI w.e.f December 7th, 2021 in terms of Section 161 of the Companies Act, 2013, rules made there under and also as per the Articles of Association of the Company by the Board of Directors of the Company.

As per Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier.

SEBI vide amendment to the SEBI LODR, 2015 has added new Regulation 25 (2A) which was effective from January 01, 2022 and as per the new Regulation, listed entities are now required to ensure that appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a Special Resolution. In order to comply with this requirement, the Board of Directors of the Company has recommended seeking the approval of Members of the Company for appointment of Dr. Anil Kumar Misra as a Non-Official (Independent) Director on the Board by means of a Special Resolution to comply with the amended provisions of SEBI LODR, 2015.

In terms of provisions contained under Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Dr. Anil Kumar Misra for the office of Independent Director.

His brief resume containing other relevant details is annexed herewith.

Relevant documents, if any, referred to in this notice and the Explanatory statement pursuant to section 102 of the Act, will be available for inspection via electronic mode from the date of circulation of this notice upto the last date of remote e-voting. In the event, any Member desires to inspect such Documents, may write an email to the company at sci.cs@sci.co.in by mentioning their name, folio number/DP ID-Client ID, as applicable, Mobile number and copy of pan Card attached. The Company shall thereafter suitably make the Documents available on/through Electronic Mode.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out for approval by the Members.

ITEM NO. 8:

APPOINTMENT OF MS. ARUNIMA DWIVEDI (DIN: 09427417) AS A NON-OFFICIAL (INDEPENDENT) DIRECTOR OF THE COMPANY.

The following statement sets out all the material facts relating to the resolution to be passed as mentioned in the accompanying Notice:

The Ministry of Ports, Shipping and Waterways vide its letter dated November 22nd, 2021 appointed Ms. Arunima Dwivedi (DIN: 09427417) on the Board of SCI. Accordingly, Ms. Arunima Dwivedi was appointed as an Additional Director on the Board of SCI w.e.f December 7th, 2021 in terms of Section 161 of the Companies Act, 2013, rules made thereunder and also as per the Articles of Association of the Company by the Board of Directors of the Company.

As per Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier.

SEBI vide amendment to the SEBI LODR, 2015 has added new Regulation 25 (2A) which was effective from January 01, 2022 and as per the new Regulation, listed entities are now required to ensure that appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. In order to comply with this requirement, the Board of Directors of the Company has recommended seeking the approval of Members of the Company for appointment of Ms. Arunima Dwivedi as a Non-Official (Independent) Director on the Board by means of a Special Resolution to comply with the amended provisions of SEBI LODR, 2015.

In terms of provisions contained under Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Ms. Arunima Dwivedi for the office of Independent Director.

Her brief resume containing other relevant details is annexed herewith.

Relevant documents, if any, referred to in this notice and the Explanatory statement pursuant to section 102 of the Act, will be available for inspection via electronic mode from the date of circulation of this notice upto the last date of remote e-voting. In the event, any Member desires to inspect such Documents, may write an email to the company at sci.cs@sci.co.in by mentioning their name, folio number/DP ID-Client ID, as applicable, Mobile number and copy of pan Card attached. The Company shall thereafter suitably make the Documents available on/

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through Electronic Mode.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out for approval by the Members.

ITEM NO. 9:

APPOINTMENT OF SHRI SHREEKANT TEJAPPA PATTAR (DIN: 09427418) AS A NON-OFFICIAL (INDEPENDENT DIRECTOR) OF THE COMPANY.

The following statement sets out all the material facts relating to the resolution to be passed as mentioned in the accompanying Notice:

The Ministry of Ports, Shipping and Waterways vide its letter dated November 22nd, 2021 appointed Shri Shreekant Tejappa Pattar (DIN: 09427418) on the Board of SCI. Accordingly, Shri Shreekant Tejappa Pattar was appointed as an Additional Director on the Board of SCI w.e.f December 7th, 2021 in terms of Section 161 of the Companies Act, 2013, rules made thereunder and also as per the Articles of Association of the Company by the Board of Directors of the Company.

As per Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office up to the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier.

SEBI vide amendment to the SEBI LODR, 2015 has added new Regulation 25 (2A) which was effective from January 01, 2022 and as per the new Regulation, listed entities are now required to ensure that appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. In order to comply with this requirement, the Board of Directors of the Company has recommended seeking the approval of Members of the Company for appointment of Shri Shreekant Tejappa Pattar as a Non-Official (Independent) Director on the Board by means of a Special Resolution to comply with the amended provisions of SEBI LODR, 2015.

In terms of provisions contained under Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Shri Shreekant Tejappa Pattar for the office of Independent Director.

His brief resume containing other relevant details is annexed herewith.

Relevant documents, if any, referred to in this notice and the Explanatory statement pursuant to section 102 of the Act, will be available for inspection via electronic mode from the date of circulation of this notice upto the last date of remote e-voting. In the event, any Member desires to inspect such Documents, may write an email to the company at sci.cs@sci.co.in by mentioning their name, folio number/DP ID-Client ID, as applicable, Mobile number and copy of pan Card attached. The Company shall thereafter suitably make the Documents available on/through Electronic Mode.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out for approval by the Members.

ITEM NO. 10:

APPOINTMENT OF SHRI NAGESWARA PRAMOD CHAKRAVARTHY KALLA (DIN: 09427415) AS A NON-OFFICIAL (INDEPENDENT) DIRECTOR OF THE COMPANY.

The following statement sets out all the material facts relating to the resolution to be passed as mentioned in the accompanying Notice:

The Ministry of Ports, Shipping and Waterways vide its letter dated November 22nd, 2021 appointed Shri Nageswara Pramod Chakravarthy Kalla(DIN: 09427415) on the Board of SCI. Accordingly, Shri Nageswara Pramod Chakravarthy Kallawas appointed as an Additional Director on the Board of SCI w.e.f December 07th, 2021 in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and as per the Articles of Association of the Company by the Board of Directors of the Company.

As per Section 161 of the Companies Act, 2013, the Additional Director so appointed by the Board shall hold office upto the date of next Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier.

SEBI vide amendment to the SEBI LODR, 2015 has added new Regulation 25 (2A) which was effective from January 01, 2022 and as per the new Regulation, listed entities are now required to ensure that appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a Special Resolution. In order to comply with this requirement, the Board of Directors of the Company has recommended seeking the approval of Members of the Company for appointment of Shri Nageswara Pramod Chakravarthy Kalla as a Non-Official (Independent) Director on the Board by means of a Special Resolution to comply with the amended provisions of SEBI LODR, 2015.

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In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Shri Nageswara Pramod Chakravarthy Kalla for the office of Independent Director.

His brief resume containing other relevant details is annexed herewith.

Relevant documents, if any, referred to in this notice and the Explanatory statement pursuant to section 102 of the Act, will be available for inspection via electronic mode from the date of circulation of this notice upto the last date of remote e-voting. In the event, any Member desires to inspect such Documents, may write an email to the company at sci.cs@sci.co.in by mentioning their name, folio number/DP ID-Client ID, as applicable, Mobile number and copy of pan Card attached. The Company shall thereafter suitably make the Documents available on/through Electronic Mode.

None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution.

The Board recommends the Special Resolution as set out for approval by the Members.

ITEM NO. 11:

To ratify transaction under Section 185 of the Companies Act, 2013.

The following statement sets out all the material facts relating to the resolution to be passed as mentioned in the accompanying Notice:

In terms of the Section 185 of the Companies Act, 2013, a Company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested subject to the condition that approval of the Shareholders of the Company is obtained by way of Special Resolution and requisite disclosures are made in the Explanatory Statement.

A consortium, The Shipping Corporation of India Limited (SCI), Mitsui O.S.K. Lines, Limited(MOL), Nippon Yusen Kabushiki (NYK) Kaisha, Kawasaki Kisen Kaisha, Limited (K-Line), Qatar Gas Transport Company Limited (QGTC) and Petronet LNG Limited (PLL) (together, the "Sponsors") have established a Joint Venture Company named India LNG Transport Company (No.3) Limited ("ILT - 3"), registered in Malta, which owns LNG Tanker ASEEM. SCI holds 26% share in ILT-3 with other joint venture partner's viz.MOL (26%), NYK (16.67%), Kline (8.33%), QGTC (20%), and PLL (3%). SCI is also the Ship Manager for ILT-3.

On the Board of ILT-3 Shri Atul Ubale, CMD of the SCI and Shri Sanjay Kumar, Government Nominee Director, SCI on behalf of Ministry of Ports Shipping and Waterways, Government of India, are Directors, therefore said entity being covered under the category of a person in whom any of the Director of the Company is interested as specified in the explanation to Clause (b) of Sub - Section 2 of Section 185 of the Companies Act, 2013.

ILT-3 concluded a shipbuilding contract with Samsung Heavy Industries Limited for the construction of the Vessel, ASEEM, which was delivered on 16.11.2009 and is on a long term charter with Petronet LNG Limited (Charterer) for an initial period of 25 years i.e. until 16.11.2034.

In order to finance the construction of the Vessel, 30% of the estimated project cost was funded through Sponsors Loan and the balance was arranged by ILT-3 through a facility agreement with an international syndicate of lenders on 20.12.2006 for a loan amount of US\$ 178,293,000/- for 12 years duration. Sumitomo Mitsui Banking Corporation (SMBC) was the lead arranger, agent and swap agent in this syndicate.

The project has operated successfully for the past 11 years since the delivery of ASEEM on 16.11.2009.

The final outstanding amount at the end of the loan period was US\$ 101,714,000/-. This loan tenor ended on 16.09.2021. As the loan amount was substantial, ILT-3 had to re-finance this outstanding bank loan through international syndicate of lenders. MOL being the Consortium leader headed the refinance initiative. For this MOL had floated a tender and consequently for 13 year loan tenor, SMBC offered the lowest all-in spread, followed by MIZUHO's offer and was selected for this refinance. SMBC Singapore branch is the Lead Arranger, Facility Agent, Swap bank and also the Security Agent.

As SCI is a Shareholder and also the Ship Manager, a number of documents like Sponsor's Undertaking, Manager's Undertaking, etc. and other necessary finance documentation were required to be executed by SCI to achieve financial closure for the refinancing of ILT-3.

Therefore, the Security provided and Guarantee/(s) issued by the Company in nature of (i) pledge of shares held by the Company in the Joint Venture of the company India LNG Transport Company (No. 3) Limited ("ILT-3") (Sponsors Security), (ii) Sponsors Undertaking, (iii) Managers Undertaking, (iv) Deed of Subordination and such other notices, letters, undertakings, documents executed in favor of Sumitomo Mitsui Banking Corporation (SMBC) in connection with the Loan in the nature of Re-Financing facility, amounting to US \$ 101,714,000/- vide loan agreement dated September 03rd, 2021 for a period of 13 years beginning from the Drawdown date, availed by ILT-3 which will be utilized by ILT-3 for its principal business activity are sought to be ratified by the members of the company as provided under section 185 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution except (i) Shri Atul Ubale and (ii) Shri Sanjay Kumar, by Virtue of their Directorship in ILT - 3.

The Board recommends the Special Resolution as set out for approval by the Members.

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ANNEXURE TO ITEM NO.3,5, 6, 7, 8, 9 and 10 OF THE NOTICE *

Details of Director seeking appointment/re-appointment in pursuance of relevant provisions of the Act and SEBI LODR, 2015

| Name of the Director | Capt Binesh Kumar Tyagi (DIN: 08966904) | Shri Prabir Kumar Gangopadhya (DIN: 09310988) |
|---|---|---|
| Date of Birth & Age | November 04th, 1970 & 52 Years | November 02nd, 1962 & 59 Years |
| Nationality | Indian | Indian |
| Date of first appointment on the Board | January 07th, 2021 | September 07th 2021 |
| Qualification | B.Sc. Master (FG), DBM, PGDBM, PGDSM, Diploma in Port Development & Management, ICS (London), CS (Professional), LLB | Shri Prabir Kumar Gangopadhya, is a Mechanical Engineer. |
| List of Directorship in Other Companies as on 05.08.2022 | Director – Inland & Costal Shipping Limited | Director – Inland & Costal Shipping Limited |
| Membership / Chairmanship of Committees of Companies as on 05.08.2022 | NIL | NIL |
| Listed entities from which the person has resigned in the past three years | None | None |
| Shareholding in SCI (including shareholding as a beneficial owner) as on 05.08.2022 | 300# | NIL |
| Disclosure of relationship between Directors inter se | There is no relationship between the Directors inter se | There is no relationship between the Directors inter se |
| Brief Resume and Nature of Expertise in Specific Functional Area | <p>Capt. Binesh Kumar Tyagi took over as Director, Liner and Passenger Services, on 8th January 2021. He also held additional charge of Director (T&OS) from 01.05.2021 to 18.05.2022.</p> <p>In his distinguished Shipping career spanning over 32 years in SCI, he has held many responsible appointments, both Afloat and Ashore. After graduation, Capt Tyagi joined SCI in 1990, as Trainee Nautical Officer (TNO). He served on board various ships, in different ranks, including as Master. In 2004, he was absorbed ashore, wherein he served at various Management level positions and performed Technical, Vetting, Chartering, Training, Marine HR, Liner, Passenger, Inland Waterways, offshore and S&P functions.</p> <p>Capt Tyagi is also on the board of ICSL since 20th November 2020 and has contributed in the field of IWT. He is a well-rounded shipping professional with qualification in Ship operation, Navigation, Chartering, General Shipping Management, Port Development & Management and Law.</p> | <p>Shri Prabir Kumar Gangopadhya has taken over as Director, Personnel & Administration, on 7th September 2021. During his career spanning over 32 years in SCI, he has successfully handled diverse portfolios both on-board vessels and ashore. Shri Prabir Kumar Gangopadhya, post completing Mechanical Engineering and obtaining Certificate of Competency, joined SCI fleet in 1988 as a Marine Engineer, wherein he served and gained valuable experience on board diverse vessels. After serving as Chief Engineer on-board vessels, he was absorbed ashore in 2002. During his stint ashore, he has served at varied Management level positions in domains of Techno Commercial management and Human Resources management. He has rich experience as a Shipping Professional, which broadly includes handling of operations on-board vessels, management & execution of technical projects, review & optimization of business processes, sourcing & management of appropriate manpower for fleet & shore operations, and administration.</p> |

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| Name of the Director | Capt Binesh Kumar Tyagi (DIN: 08966904) | Shri Prabir Kumar Gangopadhya (DIN: 09310988) |
|---|--|---|
| | Capt. Tyagi is IIMA alumni and also member of various professional bodies like ICS (London), CILT, NMIS, Nautical Institute London, CMMI, Institute of Directors. | |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable | The Appointment is for a period of five years with effect from the date of his assumption of Charge of the post or till the date of his superannuation, or until further orders, whichever is earliest. SCI, being a Government Company, the remuneration payable to its Functional Directors is approved by Government of India. | The Appointment is with effect from the date of assumption of his charge of the post till the date of his superannuation, i.e. 30.11 .2022, or until further orders, whichever is earlier. SCI, being a Government Company, the remuneration payable to its Functional Directors is approved by Government of India. |

#The shares are acquired prior to assuming charge of the Director on the Board.

| Name of the Director | Shri.Gulabbhai Rohit (DIN: 08916645) | Dr. Anil Kumar Misra (DIN: 09427416) |
|--|---|---|
| Date of Birth & Age | May 04th ,1969 & 53 Years | June 25th, 1966 & 56 years |
| Nationality | Indian | Indian |
| Date of first appointment on the Board | November 22 nd , 2021 | December 7 th , 2021 |
| Qualification | Shri Gulabbhai Lakhubhai Rohit is a Post Graduate from South Gujarat University, MBA from IIFCM and AMFI and CA (Inter). | Dr. Anil Kumar Misra a postgraduate in history, he also holds an LL.B. and Ph.D. degree, all from C.S.J.M. University, Kanpur |
| List of Directorship in Other Companies as on 05.08.2022 | NIL | NIL |
| Membership / Chairmanship of Committees of Companies as on 05.08.2022 | NIL | NIL |
| Listed entities from which the person has resigned in the past three years | None | None |
| Shareholding in SCI (including shareholding as a beneficial owner) as on 05.08.2022 | None | None |
| Disclosure of relationship between Directors inter se | There is no relationship between the Directors inter se | There is no relationship between the Directors inter se |
| Brief Resume and Nature of Expertise in Specific Functional Area | Shri Gulabbhai Lakhubhai Rohit Post Graduated from South Gujarat University, MBA from IIFCM and AMFI and CA (Inter). He is in Tax Consultancy, since 05 th September 1997, as an Income Tax Practitioner, VAT Practitioner and GST Practitioner since July 2017. He is also Investment advisor in Insurance Sectors and Mutual Fund sectors. Overall 24 Years vast experience in Accounting, Taxations (Direct and | Dr. Anil Kumar Misra is currently serving as H.O.D. at Department of History, V.S.S.D. College, Kanpur, and Uttar Pradesh. A postgraduate in history, he also holds an LL.B. and Ph.D. degree, all from C.S.J.M. University, Kanpur. He has a teaching experience at postgraduate level, of 32 years and counting. He has been serving as the president of Itihaas Sankalan Samiti, Kanpur Prant. Dr. Misra has contributed in varied administrative capacities at CSJM University. |

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| Name of the Director | Shri.Gulabbhai Rohit (DIN: 08916645) | Dr. Anil Kumar Misra (DIN: 09427416) |
|---|---|--|
| Brief Resume and Nature of Expertise in Specific Functional Area | Indirect Taxation) Internal Audits and Tax Audits and Manage Investment Port Folio of customers. Also he is Industrial Consultant for Factory and Pollution matter. He is also running various social activities under his own Foundation, Founder and Director of MUKTISHREY FOUNDATION Social activities for S.C./S.T. Students. Plantations at various places in the Dadra and Nagar Haveli. Blood Donation Camps, Religious activities/Sports activities under his foundation. | Over the years, he has conducted several national seminars and published over two dozen outstanding research papers in reputed national journals. His understanding for the value of quality education has brought him into management body of numerous academic institutions. Understanding his social obligations, Dr. Misra proactively and consistently contributes at various cultural, social and charitable platforms. His efforts towards social and educational upliftment of society have been thoroughly acknowledged |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable | The appointment is for a period of three years from the date of notification of his appointment i.e November 22nd 2021. In FY 2021-22, the Sitting fees paid to the Independent Directors per day for attending each Board Meeting and Committee Meeting was Rs. 20,000 in accordance with resolution passed by the Board of Directors of SCI at their Meeting dated 11th June 2008 with reference to DPE's OM number (F.NO. 9(23)/2014-MGMT) dated 16th December, 2019 and ceiling prescribed by Ministry of Corporate Affairs. | The appointment is for a period of three years from the date of notification of his appointment i.e December 7th 2021. In FY 2021-22, the Sitting fees paid to the Independent Directors per day for attending each Board Meeting and Committee Meeting was Rs. 20,000 in accordance with resolution passed by the Board of Directors of SCI at their Meeting dated 11th June 2008 with reference to DPE's OM number (F.NO. 9(23)/2014-MGMT) dated 16th December, 2019 and ceiling prescribed by Ministry of Corporate Affairs. |

| Name of the Director | Ms. Arunima Dwivedi (DIN: 09427417) | Shri Shreekant Pattar (DIN: 09427418) |
|--|--|---|
| Date of Birth & Age | March 8th , 1970 & 52 Years | June 01st, 1976 & 46 years |
| Nationality | Indian | Indian |
| Date of first appointment on the Board | 7th December,2021 | 7th December,2021 |
| Qualification | Ms. Arunima Dwivedi Advocate, Post Graduated [M.Sc. (Physics)] from Utkal University and did law from Gujarat University | Shri Shreekant Pattar, has done his M.A., B.Ed., and actively working in education sector since two decades. He mastered in Kannada Literature, Indian History and Indian Constitution. |
| List of Directorship in Other Companies as on 05.08.2022 | NIL | NIL |
| Membership / Chairmanship of Committees of Companies as on 05.08.2022 | NIL | NIL |
| Listed entities from which the person has resigned in the past three years | None | None |
| Shareholding in SCI (including shareholding as a beneficial owner) as on 05.08.2022 | None | None |

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| Name of the Director | Ms. Arunima Dwivedi (DIN: 09427417) | Shri Shreekant Pattar (DIN: 09427418) |
|---|---|---|
| Disclosure of relationship between Directors inter se | There is no relationship between the Directors inter se | There is no relationship between the Directors inter se |
| Brief Resume and Nature of Expertise in Specific Functional Area | <p>Ms. Arunima Dwivedi, Advocate, Post Graduated [M.Sc. (Physics)] from Utkal University and did law from Gujarat University.</p> <p>She started practicing law from 1999, putting in almost 22 years of vast experience in Civil law, Criminal law, Banking law, Property law, Administrative law, Labour law and with specialization in Commercial law, Corporate law.</p> <p>She is Advocate-on-Record in Supreme Court of India and also representing Govt. of India before Supreme Court of India and Delhi High Court.</p> <p>She also has experience in Mediation and Arbitration and is a full time Mediator with Delhi High Court Mediation Centre.</p> <p>She also worked with number of NGOs and does free legal Aid camps. She is working relentlessly towards enabling women to become capable of making her own decisions and fight for their rights. Her work aims at safer and better lives for women and children.</p> | <p>Shri Shreekant Pattar, has done his M.A., B.Ed., and actively working in education sector since two decades. He mastered in Kannada Literature, Indian History and Indian Constitution.</p> <p>He is involved in co-operative sector from 12 years and serving as a founder Director of a Co-Operative Society.</p> <p>He is also serving as the Secretary of JSG Foundation's Science P U College, Talikoti, Vijayapur district, Karnataka which targets rural talented youth to pursue higher education.</p> <p>Being Motivational Speaker, he delivered Special lectures on Personality Development and 'Vachana' Literature in various schools, colleges and seminars across the state.</p> <p>He is regular speaker at various literary and cultural forums. He has penned many articles which are published various magazines and periodicals on the topics related to social reforms.</p> <p>He served as co-editor of the conference's commemorative titled "Kote dhvani", during the first taluk Kannada Sahitya Sammelana event, and titled "Bili Jwala Jeeva Jeevala" during District Kannada Sahitya Sammelana held in 2019, at Talikoti</p> <p>He is the Founder President of Srujanasheel Chintana Balaga– a forum of intellectuals. He served as Honorary Secretary of Kannada Sahitya Parishat, Talikoti Taluk Unit.</p> |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable | <p>The appointment is for a period of three years from the date of notification of her appointment i.e December 7th 2021.</p> <p>In FY 2021-22, the Sitting fees paid to the Independent Directors per day for attending each Board Meeting and Committee Meeting was Rs. 20,000 in accordance with resolution passed by the Board of Directors of SCI at their Meeting dated 11th June 2008 with reference to DPE's OM number (F.NO. 9(23)/2014-MGMT) dated 16th December, 2019 and ceiling prescribed by Ministry of Corporate Affairs.</p> | <p>The appointment is for a period of three years from the date of notification of his appointment i.e December 7th 2021.</p> <p>In FY 2021-22, the Sitting fees paid to the Independent Directors per day for attending each Board Meeting and Committee Meeting was Rs. 20,000 in accordance with resolution passed by the Board of Directors of SCI at their Meeting dated 11th June 2008 with reference to DPE's OM number (F.NO. 9(23)/2014-MGMT) dated 16th December, 2019 and ceiling prescribed by Ministry of Corporate Affairs.</p> |

| Name of the Director | Shri Nageswara Pramod Chakravarthy Kalla (DIN: 09427415) |
|---|--|
| Date of Birth & Age | July 05th, 1975 & 47 years |
| Nationality | Indian |
| Date of first appointment on the Board | 7 th December, 2021 |

ANNEXURE TO THE NOTICE

| | |
|---|--|
| Name of the Director | Shri Nageswara Pramod Chakravarthy Kalla (DIN: 09427415) |
| Qualification | Shri K N P Chakravarthy holds a Master's Degree in Business Administration from Vinayaka Missions University, Salem; studied in GITAM College, graduated with Bachelor of Science from JRN RV University, also holds a Graduate Diploma in Physical Education from Sri Venkateswara University, Tirupati and has done his Schooling at Sainik School, Korukonda |
| List of Directorship in Other Companies as on 05.08.2022 | NIL |
| Membership / Chairmanship of Committees of Companies as on 05.08.2022 | NIL |
| Listed entities from which the person has resigned in the past three years | None |
| Shareholding in SCI (including shareholding as a beneficial owner) as on 05.08.2022 | None |
| Disclosure of relationship between Directors inter se | There is no relationship between the Directors inter se |
| Brief Resume and Nature of Expertise in Specific Functional Area | <p>Shri K N P Chakravarthy holds a Master's Degree in Business Administration from Vinayaka Missions University, Salem; studied in GITAM College, graduated with Bachelor of Science from JRN RV University, also holds a Graduate Diploma in Physical Education from Sri Venkateswara University, Tirupati and has done his Schooling at Sainik School, Korukonda</p> <p>He Started his career as a Medical Representative with Madras Medical Company (MMC) and rose up to the position of Area Manager (Regional) in reputed pharmaceutical companies with an overall experience of 8 years in Pharma Industry. Later worked with Max Newyork Life, a Multi-National Company as an Associate Sales Manager and rose up to the position of Senior Sales Manager in a period of 4 years.</p> <p>He has Organized many social activities like distributing essential commodities to the needy in remote areas; organized medical camps by distributing anti-malarial kits, anti-filarial kits to the downtrodden tribes living at hill stations on behalf of SERVE- an NGO. Extended help to the poor and effected people in and around Visakhapatnam during Hudhud (a National cyclonic disaster). Organized nearly 32 blood donation camps in a span of 8 years with various NGO's which I am representing for.</p> <p>He has Established ALL INDIA CORPORATE EMPLOYEES WELFARE ASSOCIATION and being Founder President, resolved hundreds of cases across India regarding Job insecurity for the employees working with Corporate Companies</p> |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable | <p>The appointment is for a period of three years from the date of notification of his appointment i.e December 7th 2021.</p> <p>In FY 2021-22, the Sitting fees paid to the Independent Directors per day for attending each Board Meeting and Committee Meeting was Rs. 20,000 in accordance with resolution passed by the Board of Directors of SCI at their Meeting dated 11th June 2008 with reference to DPE's OM number (F.NO. 9(23)/2014-MGMT) dated 16th December, 2019 and ceiling prescribed by Ministry of Corporate Affairs.</p> |

*Note to Annexure for item nos. 5, 6, 7, 8, 9 and 10

Reg 36(3)(f) of SEBI (LODR) Regulations, 2015 provides that in case of appointment of Independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements shall be provided to the Shareholders.

However, The SCI being a 'Navratna' PSU, comes under the Administrative Ministry of Ports, Shipping and Waterways. The power to appoint Directors on the Board of SCI (including Independent Directors) vests with the Government of India. The Functional & Nominee Directors having specified skills/ expertise and competencies in the context of Company's business to function efficiently and effectively are selected

ANNEXURE TO THE NOTICE

by Public Enterprises Selection Board (PESB) whereas Independent Directors are selected from a mix of eminent personalities having requisite experience in the diversified fields.

Therefore, all the Directors have requisite skills, expertise and competence in the areas of general administration, finance, corporate governance, strategic planning, analytical thinking etc. The Board comprises of Directors from diverse fields, experience, skills, qualifications and competence which are aligned with Company's business, overall strategy, values, corporate ethics and culture.



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 72nd Annual Report on the working of your Company for the Financial Year ended 31st March, 2022.

FINANCIAL PERFORMANCE

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

(Rs. in Crores)

| Particulars | Current Financial year (2021-2022) | Previous Financial year (2020-2021) |
|--|---------------------------------------|--|
| Revenue from Operations | 4994.55 | 3703.25 |
| Other Income | 104.04 | 125.56 |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 1631.32 | 1283.82 |
| Less: Depreciation/ Amortisation/ Impairment | 635.44 | 627.94 |
| Profit /loss before Finance Costs, Exceptional items and Tax Expense | 995.88 | 655.88 |
| Less: Finance Costs | 157.7 | 21.11 |
| Profit /loss before Exceptional items and Tax Expense | 838.18 | 634.77 |
| Add/(less): Exceptional items | 0 | |
| Profit /loss before Tax Expense | 838.18 | 634.77 |
| Less: Tax Expense (Current & Deferred) | 43.39 | 16.67 |
| Profit /loss for the year (1) | 794.79 | 618.1 |
| Other Comprehensive Income/loss (2) | 14.47 | 20.68 |
| Total (1+2) | 809.26 | 638.78 |

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 2021-22 shows a net profit of ₹794.79 crore. A sum of ₹142.10 crore has been transferred to Tonnage Tax Reserve for the financial year 2021-22. Retained earnings has been further adjusted for dividend payment of ₹11.64 Crores and items of other comprehensive income of ₹ 14.47 crores

Dividend:

The Board of Directors in their meeting held on 06.05.2022 had recommended a dividend @ 3.3% on the paid up Capital out of free Reserves of the Company. The Dividend will become payable once approved by the shareholders at the AGM. The said dividend will be paid within 30 days of its declaration at the AGM.

The dividend, subject to approval of the Members at the Annual General Meeting scheduled to be held on 28th September 2022, will be payable to those Shareholders, whose names appear in the Register of Members as on the Book Closure / Record Date. 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 ₹10/- each.

Brief Analysis of Financial Performance

SCI has reported a net profit after tax of ₹794.79 crores for the financial year 2021-22. Tanker market was under pressure throughout the year and has reported loss during the year while Bulk segment performance has improved drastically due to high demand in Bulk segment. The Technical & Offshore segment has shown improvement in terms of revenue as well as profit due to long term contracts and better utilisation of vessels. Container market was at its peak throughout the year resulting into highest profit of segment in a decade

The consolidated net profit for the company for Financial Year 2021-22 is ₹ 865.22 crores.

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

(Rs. in Lakhs)

| Particulars | ILT 1 | ILT 2 | ILT 3 | ILT 4 | ICSL | SCILAL |
|-------------|------------|------------|------------|------------|------------|------------|
| As on | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.03.2022 |

| Particulars | ILT 1 | ILT 2 | ILT 3 | ILT 4 | ICSL | SCILAL |
|-------------------------|--------|--------|--------|----------|---------|--------|
| Total Income | 18,694 | 19,676 | 21,212 | 18,383 | 38 | 0 |
| PAT | 8,493 | 9,297 | 5441 | 2,093 | -89 | -0.17 |
| Equity capital | 17 | 17 | 8 | 32179 | 105 | 1 |
| Number of equity shares | 10000 | 10000 | 10000 | 42448300 | 1050000 | 10000 |
| EPS (₹share) | 84,930 | 92,970 | 54,410 | 5 | -8.48 | -1.73 |
| Dividend | - | - | - | - | - | 0 |
| Net worth | 60,501 | 62,892 | 6,128 | 37,407 | -19 | 0.83 |

Net Impact on Consolidated profits for the year ended 31st March 2022 is increase of ₹70.43 crores upon consolidation of above joint ventures and subsidiary company.

Credit Rating Details

| | |
|--|--|
| (a) credit rating obtained in respect of various securities; | a) Rating is done for bank loan rating only, |
| (b) name of the credit rating agency; | b) The latest rating is by Acuite Ratings & Research |
| (c) date on which the credit rating was obtained; | c) published on 31st Mar 2022 |
| (d) Current credit rating; | d) Reaffirmed as "AA" with rating outlook as "Stable" and the short term Rating is also reaffirmed at the highest grade for the Corporation as "A1+" |

SUBSIDIARIES & ASSOCIATES

Your company has two subsidiary Companies 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. The subsidiary, Shipping Corporation of India Land and Assets Limited (SCILAL) was incorporated on 10th November 2021 for holding and disposing of Non-Core Assets of SCI. Joint Venture Company SCI SAIL Shipping Co. Private Limited is struck off as on 31.03.2022. 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.

A SUBSIDIARY

Inland and Coastal Shipping Limited

Inland and Coastal Shipping Limited (ICSL), incorporated on 29.09.2016, is a wholly owned subsidiary of your Company. As per Ministry of Ports, Shipping and Waterways (MoPSW), Inland Waterways Transport (IWT) Division letter dated 27.10.2020, approval was accorded to IWAI for handing over three vessels i.e. (i) M.V. Rabindra Nath Tagore, (ii) M.V. Lal Bahadur Shastri and (iii) M.V. Homi Bhabha to ICSL.

M/s. Inland & Coastal Shipping Limited (ICSL) signed a MOU on 22.01.2021 with Inland Waterways Authority of India (IWAI) for operation and management of above mentioned cargo vessels and subsequently took delivery of M.V. R N Tagore on 22.01.2021 and M.V. Lal Bahadur Shastri on 26.02.2021. Third vessel M.V. Homi Bhabha is presently non-operational and would be taken over by ICSL after she is made operational by IWAI.

M.V. R N Tagore and M.V. Lal Bahadur Shastri are presently operating on NW1 & NW2 respectively.

ICSL and IWAI further signed an MOU on 11.03.2022 for take over of two RO-RO vessels viz, m.v. Gopinath Bordoloi & m.v. Sankar Dev, to promote Inland Waterway transportation with ultimate objective to decongest roads & railways. These RO-RO vessels would be taken over by ICSL soon after completion of required certifications etc.

The Shipping Corporation of India Land and Assets Limited

Shipping Corporation of India Land and Assets Limited (SCILAL) is a Government Company, within the meaning of section 2(45) of the Companies Act, 2013, incorporated under the Companies Act, 2013 on November 10, 2021, having its registered office at 'Shipping House', 245, Madame Cama Road, Mumbai-400021 India.

The Government of India is in the process of strategic disinvestment of its equity stake in SCI together with transfer of management control. To facilitate disinvestment process of the Company in an effective, efficient and rapid manner and also to unlock the value of the business and the assets, it is found appropriate that the Non-core Assets of the Company, the value of which is not getting reflected in the value of business of SCI, should be separated from SCI and should be kept in an independent entity and a separate strategy should be formed for unlocking the value of such Non-core Assets. Considering this, and in line with the guidance of DIPAM and other Competent Authority, Shipping Corporation

DIRECTORS' REPORT

of India Land and Assets Limited has been incorporated with the object of holding and disposing of the Non-core Assets of SCI distinct from the disinvestment transaction

B JOINT VENTURES

(i) 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.

(ii) India LNG Transport Co. No. 4 Pvt 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 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.

(iii) Irano Hind Shipping Company

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. The investment in IHSC is classified as Non-Core Assets Held for Demerger.

(iv) SAIL SCI Shipping Pvt Ltd (SSSPL)

SAI L 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 and the said Company is now dissolved.

Fleet position during the year:

During the year under report, there has been NIL additions or deletions to the SCI owned 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 31.03.2021 | | Additions | | Deletions | | As on 31.03.2022 | |
|-------------------|------------------|----------------|-----------|----------|-----------|----------|------------------|----------------|
| | No. | DWT | No | DWT | No. | DWT | No. | DWT |
| Crude oil Tanker | 18 | 3231602 | - | - | - | - | 18 | 3231602 |
| Product tanker | 13 | 862925 | - | - | - | - | 13 | 862925 |
| Gas carriers | 1 | 53,503 | - | - | - | - | 1 | 53,503 |
| Bulk carriers | 15 | 1022344 | - | - | - | - | 15 | 1022344 |
| Container vessels | 2 | 115598 | - | - | - | - | 2 | 115598 |
| Offshore vessels | 10 | 25238 | - | - | - | - | 10 | 25238 |
| Total | 59 | 5311210 | - | - | - | - | 59 | 5311210 |

At the end of the year, the Company had no new built vessels on order.

Particulars of Loans, Guarantees and investments

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

Extract of Annual Return

In accordance with section 134 (3) (a) and section 92(3) of the companies Act, 2013 read with relevant rules, the annual return as on March 31st, 2022 is available on the Company's website- www.shipindia.com

Particulars of contracts/arrangements with related parties

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

Particulars of Employees

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

Employees Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

Company's Policy on Directors appointment and remuneration

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

Receipt of Remuneration by Managing Director from Subsidiary Companies

Shri Atul Ubale holding Addl.charge of CMD & Director (B&T) has not received any remuneration from any of its subsidiary companies.

Risk Management

SCI has approved Risk Management framework and risk registers 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 pandemic circumstance and continuing with the business as per the business continuity model by identifying the critical functions. The meetings of the Risk Management Committee were held on 7.4.2021, 12.3.2022, 26.3.2022 and 6.5.2022.

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.

Foreign exchange earnings and outgo

₹ in crores

| Particulars | 2021-22 | 2020-21 |
|--------------------------|---------|---------|
| Foreign exchange earned* | 4982.68 | 3891.24 |
| Foreign exchange outgo* | 4048.50 | 2810.35 |

*includes deemed foreign exchange earnings and outgo.

Public Deposit

During the financial year 2020-21, 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.

Proposed Strategic Disinvestment of SCI

The proposed strategic disinvestment of SCI is being handled by Department of Investment and Public Asset Management (DIPAM) with the engagement of necessary advisors. In this regard Preliminary Information Memorandum (PIM) for inviting expression of interest was released on 22nd December, 2020. The Virtual Data Room is open and is being managed by the Transaction Advisor for the process of due diligence by the Qualified Interested Parties.

The Demerger Scheme ('the Scheme') for hiving off the identified Non-cCore assets has been approved by the SCI Board on 03.08.2021. Pursuant to instructions of Ministry of Ports, Shipping and Waterways (MoPSW), the Company has incorporated a wholly owned Subsidiary viz. Shipping Corporation of India Land and Assets Limited (SCILAL) for the demerger of Non-Core assets on 10.11.2021 in terms of the Scheme. The Board of SCILAL has approved the Scheme on 16.11.2021. On 02.03.2022, the SEBI through Stock Exchanges have communicated the approval to the Scheme of Demerger .

Subsequent to the approval of Scheme by the Boards of SCI as well as SCILAL, assets and liabilities to be transferred to SCILAL have been categorised as Non-Core Assets / Liabilities Held for Demerger and consequential impact has been given in Profit and Loss account w.r.t reversal of amortisation of deferred tax liability, depreciation and foreign exchange loss.

Post approval of the Scheme by MCA, the assets and liabilities pertaining to the said non-core assets will be transferred to SCILAL basis the appointed date mentioned in the Scheme as per the book value as on 31.03.2021 and from 16.11.2021, income and expenses related to Non-Core assets as per the Scheme will be accordingly transferred to SCILAL.

DIRECTORS' REPORT

In accordance with the directions of MoPSW and DIPAM, the Board of SCI and SCILAL in their meetings dated 06th May 2022 and 25th May 2022 respectively approved the modifications in the Scheme of Demerger. The modifications do not have any impact on carrying value of Non-Core assets in the financial statements. Presently, the Revised Scheme of Demerger is pending with Ministry of Corporate Affairs for further orders. Considering the reiteration by MoPSW and DIPAM to expedite the demerger process, there is a certainty of completion of the process in the near future, and accordingly, the relevant disclosures with continued accounting effects have been considered in the financial statements.

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.

| Particulars | Standalone | | Consolidated | |
|-----------------------------|------------|----------|--------------|----------|
| | 2021-22 | 2020-21* | 2021-22 | 2020-21* |
| Debtors Turnover Ratio | 7.88 | 5.99 | 7.88 | 5.99 |
| Inventory Turnover Ratio | 7.39 | 6.51 | 7.39 | 6.51 |
| Interest coverage Ratio | 6.32 | 31.07 | 6.76 | 34.76 |
| Current Ratio | 1.83 | 0.95 | 1.83 | 0.95 |
| Debt Equity | 0.37 | 0.46 | 0.35 | 0.45 |
| Operating Profit Margin (%) | 19.94 | 17.71 | 21.35 | 19.81 |
| Net Profit Margin (%) | 15.91 | 16.69 | 17.32 | 18.80 |
| Return on Net worth (%) | 9.14 | 7.82 | 9.51 | 8.52 |

* Ratios of comparative period i.e, 2020-21 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.

** Net Worth has been calculated basis Average Net Worth as per Section 2(57) of the Companies Act.

Ratio – Details of Significant changes and explanation thereto:

1. Debtors Turnover Ratio : Debtors turnover ratio for Standalone and Consolidated Financials has increased from 5.99 during FY 2020-21 to 7.88 during FY 2021-22. The ratio has improved due to timely collection of Trade Receivables.
2. Interest coverage Ratio - Interest Coverage ratio for standalone has decreased to 6.32 in F.Y. 2021-22 as compared to 31.07 in F.Y. 2020-21 while for consolidated financials same has reduced to 6.76 in FY 2021-22 as compared to 34.76 for FY 2020-21. This is due to increase in Finance cost for the year 21-22 due to Foreign Currency loss which are adjusted in Finance cost as per requirement of Ind AS 23. During FY 2020-21 , there was Exchange gain which was adjusted to Finance cost as per requirement of Ind AS 23.
3. Current Ratio:- The current ratio has increased due to classification of Non Core assets to Assets Held for Demerger as per Demerger Scheme.

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

(i) World Scenario

The world GDP rebounded by an average of 6.1% in 2021, compared to the economic contraction of about (-)3.3% in the previous year. The growth estimates for 2022 and 2023 are 3.6% and 3.6% . With most of the world economies slowly charting a course to recovery from the destructive economic impacts of COVID-19 pandemic, the recently erupted war situation between Russia and Ukraine has dealt a major blow to the global recovery. Omicron variant's impact was relatively short-lived and hence it was believed that world was now on the path to recovery. This optimism had also reflected in the IMF's World Economic Outlook of January 2022, however the economic forecasts have since been downgraded by IMF. Russia is a major exporter of energy (oil and gas) as well as metals, while Ukraine is a major producer of agricultural produce (especially wheat and corn) and also of some rare metals that are crucial for global electronic industry. The impact of war has driven up the prices of all the aforementioned commodities and thus most of global economies are now dealing with severe inflationary headwinds. Ultra-loose monetary policies adopted by most countries during COVID-19 times were already pushing inflationary boundaries even before the war. Now the soaring prices of commodity prices after yet another supply shock has turned many central banks hawkish, and accordingly they have started tightening the monetary supply, which threatens to hamper global economic growth. Apart from war in Europe, re-introduction of lockdowns in China is dealing yet another shock to global supply chains. With inflation now a prime concern of central banks of most of the countries in the world, it will be even more difficult for them to do the balancing act of stimulating growth and managing inflationary pressures.

In advanced economies, though economic recovery is expected to continue, it will be dragged and will face severe inflationary pressures.

Economic sanctions on Russia and European countries trying to slowly wean themselves off of Russian energy will certainly dampen the recovery in Europe. Meanwhile, U.S. also shall face problems caused by global inflationary environment. U.S. & U.K. both saw their inflation levels soaring to near 40-year highs and are therefore bound to tighten the monetary supply to tackle inflation. This will mean that U.S. and Europe would trade-off some growth in the process. It looks like there will be long drawn and multi-front fight with inflation and supply bottlenecks. Meanwhile, EMDE (Emerging Markets and Developing Economies) are expected to exhibit strong demand in numbers however their growth trajectory will be severely hampered by the devil of inflation. Most of the EMDE economies are highly dependent on major energy and commodity suppliers to cater to their domestic demand. However, with Russia and Ukraine now out of the equation and China's production showing hiccups due to lockdowns as a result of their zero-COVID policy, there are bound to be new supply bottlenecks in almost all major commodities. Thus, economies of EMDEs in South America, Africa as well as Asia will be forced to fight raging inflationary headwinds.

For the next two years, the global GDP growth is forecasted at 3.6% in 2022 and 3.6% in 2023. The downgraded forecasts of global growth underline the pressures of inflation and strained supply chains. Looking at the year 2022, the advanced economies are expected to grow at 3.3% and EMDEs (Emerging Markets and Developing Economies) are expected to grow at 3.8%. In the subsequent year 2023, the world growth trajectory forecast is still unknown as of now, with Global growth forecasted to clock in at 3.6%. However, this forecast comes with severe downside risks, as long drawn war will hammer world economies right to the verge of breaking (case in point - Sri Lanka) and any future escalation would be disastrous for all.

(ii) Global GDP

According to IMF, Global Trade Volume (goods and services) growth has been very impressive at 10.1% in 2021 (on the back of low-base created in 2020) and is expected to sustain at good levels to around 5.0% in 2022. In developed countries, the trade volume growth is expected to remain at decent levels in 2022, at an average of around 9.0%. Most developed regions have come out of the pandemic related curbs and have seen the business activity pick up. However, how the developed countries (especially from European region), tackle the problems of inflation and supply disruption due to war, remains to be seen.

In the EMDE (Emerging Markets & Developing Economies) region, the growth in trade volume during the year 2021 was 11.8% in imports and 12.3% in exports. EMDE economies are mostly import-dependent for their energy and production input needs and are thus particularly vulnerable to supply chain shocks and inflationary pressures. With limited fiscal flexibility, the middle class and lower populations of EMDE countries are exposed to bear the brunt of inflation. This in turn puts severe pressures on demand and thus EMDEs trade volumes should theoretically languish in the upcoming year. Overall, the world's total trade volume is forecasted to grow by 5.0% in 2022, with significant downside risks.

Statistics-wise, as per IMF's World Economic Outlook global trade volume is expected to exhibit a decent growth by 5.0% in 2022 and then owing to higher base, moderate to post a forecasted 4.4% rise in 2023, as against a significant bounce back figure of 10.1% in 2021. The combined economy (GDP) of developed nations is expected to grow by 3.3% in 2022 and then rise by 2.4% in 2023. Whereas, the report forecasts that economies of Emerging Markets & Developing Countries will expand by 3.8% and then grow further by 4.4% in 2022 and 2023 respectively, as against the expansion of 6.8% in 2021. Going forward, strong organic demand accompanied with robust domestic trade as well as export-focused international trade will be the key growth determinants, particularly 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 average seaborne oil trade (inclusive of both crude oil & refined products) exhibited a slight drop of -1.07% in 2021 as compared to calamitous -9.13% drop in 2020. Within the seaborne oil trade development, the 'Crude oil' trade decreased by -0.53% with total figure at 1,875 million tons in 2021. Whereas, 'Product trade' (excluding Fuel Oil) was at 660 million tons in 2021, rebounding by 5.94%. The crude & product tanker fleets expanded by 1.05% & 4.99% respectively in 2021 (when calculated by gross dwt), as compared to the growth(+)/reduction(-) figures of +1.85% & +2.74% during the previous year. For the year 2022, crude and product tanker markets are forecasted to remain fairly depressed (similar to the previous year 2021) due to oversupply of tonnage and dwindling oil demand. The uncertain situation and war does not really set the tone for new upstream investments. For CPP demand to return to pre-COVID levels, large parts of major refined products consumer countries or continent need to have conclusively brought the pandemic under control, so that transportation and international aviation begin to have positive effect on the medium term demand scenario. Thus, both crude and clean products markets are set to see a yet another disappointing year in 2022. Even though there is an uptick in the CPP tanker market due to the war in Europe, it is predicted to be a short-term phenomenon.

The dry bulk trade registered a decent increase of 3.36% in gross cargo quantity over the course of year 2021, however the forecasts for the 2022 are looking moderate at best. The war between Russia and Ukraine has pushed up the commodity prices significantly. Higher commodity price inflation is likely to affect lower income countries the most, and since these countries tend to be net importers of dry bulk commodities, it is likely to hurt their dry bulk demand. Also, China's strict COVID lockdowns is another factor which will have a negative

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impact on dry bulk trade. The total dry bulk fleet growth rate was about 4.20% in 2021, which is quite higher than the figure of -3.08% in 2020. Dry bulk charter rates have moderated quite a bit in 2022, however are still at decent levels, especially for smaller size vessel segments. Although there are question marks over overall dry bulk trade volume in near future, the increased tonne-miles due to war in Europe, higher commodity prices translating into better rates and possible slow steaming due to EEXI and CII implications is expected to keep dry bulk rates at reasonably good levels.

(iv) Indian Scenario

As per National Statistical Office (NSO), Indian economy expanded by an impressive 8.95% (estimated) in FY 2021-22, as compared to the growth rate of -6.59% in 2020-21. The GDP numbers have rebounded from the slump in 2020-21 due to COVID-19 related curbs. However, there are many downside risks to India's GDP growth as India being an import-intensive country, will face the heat of commodity and energy price inflations in a major way. Spiraling inflation might force Reserve Bank of India to further tighten the monetary supply, which has the potential to hurt credit growth and overall economic growth of the country. Lack of major capital investments due to jittery investment climate, depressed domestic demand, sluggishness in manufacturing sector and dampened sentiments across almost all the sectors could lead to significant downturn in economic activity. On the other hand, any upside triggers for an immediate upswing in the economy looks less likely as long as the inflation persists. A combination of these factors has thereby generated a significant downside risk probability in the future GDP forecasts. As per IMF World Economic Outlook, India's GDP growth has surpassed China for the year 2021, in contrast to last year when India's growth had remained lower than that of China in 2020. The agricultural/farming sector exhibited an encouraging annual GVA (Gross Value Added) growth of 3.3% in 2021-22, while the sector had registered 3.3% GVA expansion in the earlier period also. The power and utility sectors (Electricity, Gas, Water Supply and Other Utility Services) also posted an estimated GVA growth at an annual rate of 7.8% in 2021-22 as compared with -3.6% growth rate exhibited in the previous year 2020-21 (on account of pandemic related curbs).

As per the Ministry of Commerce website, India's exports in value terms rose significantly by 44.57% (mainly due to low-base formed during COVID-19 pandemic) to US\$ 421.89 billion in 2021-22, while imports also jumped sharply by a figure of 55.31% to US\$ 612.61 billion. One of the main reasons for this extraordinary rise in exports as well as imports was the low-base formed during economic havoc wreaked by the COVID-19 pandemic, and now that the economy has been opened up, hence there is a return to the numbers comparable with pre-pandemic era. As per the Press Information Bureau & Indian Ports Association (IPA), the quantum of Cargo Traffic at India's 13 major ports increased by 6.94% in the period April 2021 to March 2022 i.e. cargo traffic increased to around 719.38 million tons in the period April 2021 - March 2022, as compared to the handled traffic of 672.68 million tons in the corresponding period of 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 30.74% share, followed by Container traffic at 21.37%, Thermal & Steam Coal at 11.60%, 'Other Misc. Cargo' (10.83%), Iron Ore & Pellets (10.56%), Coking & Other Coal (8.04%), Other Liquids (4.20%), Finished Fertilizers (1.54%) and Raw Fertilizers (1.13%) respectively. This improvement in port performances is the result of many strategic measures initiated by the Ministry of Ports, Shipping and Waterways, focused towards elevating the performance of Indian ports. These measures include mechanization of the terminals, focus on improving the TAT (turn-around time), introduction of new processes and practices for quick evacuation of cargo, active encouragement towards use of new technologies like electronic tagging, blockchain etc., special thrust on coastal transportation, expansion/modernization of port-related infrastructure and skill development of port employees. The existing non-major ports, especially private ports, continue to grow due to factors such as a diversified cargo portfolio, superior operating efficiency and contemporary infrastructure, and the presence of captive cargo streams.

(v) Strengths

Years of experience in Shipping together with diversified fleet across all major segments give SCI a unique ability to exploit demand growth in any given segment with a quick-mover advantage on the peak of learning curve. New acquisitions have brought down average age from 18 years in 2007 to about 13.28 years presently (w.r.t. B&T Fleet). 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 diminishing levels of growth at about 3.5% to 3.6% in 2022-23, on account of geopolitical crisis in Europe and inflationary pressures. In the crude tanker markets, after a quite disastrous 2021, tanker owners are hoping for better fortunes in 2022-23. However, from the current geopolitical situation and presence of multiple negative triggers, it does not look like this year will be significantly better than the previous one. The war between Russia and Ukraine is expected to put a major dent in oil trade recovery. The increased oil prices due to war are expected to translate into weaker demand. Further, currently there are other stressing factors apart from high oil prices, such as recurrence of lockdowns in China and overall sluggishness in economies due to monetary policy tightening, which will keep the crude tanker markets under pressure.

However, there is a silver lining in the form of strengthening of product tanker markets which are expected to experience an upturn, curiously due to same factors which are affecting crude tanker rates. The Russia-Ukraine war has made Russian refined products unacceptable to many western nations and their allies due to sanctions. This has created a huge supply gap in CPP space, since Russia was 3rd largest supplier of diesel for the last 5 years. This gap in European CPP supply will be covered by US & Middle East, which will boost tonne-miles. Thus, the product tanker markets are exhibiting an upturn and are expected to do well compared to 2021. However, there are serious downside risks

also to this scenario, as recurrence of lockdowns in China and ever rising prices may hamper CPP demand, retracting the global CPP trade. In the dry bulk market, the levels were pretty decent initially in the first month and half of FY23, however rates & consequently earnings of dry bulk owners have been dropping steadily since then and could not be sustained at higher levels. Although the freight rates have not maintained the excellent peak levels achieved in 2021, still most of the dry bulk segments (especially smaller size segments) were doing pretty well till around April 2022. The rebound in activity post-COVID era has generated significant demand pickup for dry bulk commodities. Along with good flow of dry bulk cargoes, other factors that supported dry bulk markets were: scarcity of vessels created due vessels being stuck in Black sea due to war, some vessels stuck in China due to COVID related curbs and possible slow steaming to meet EEXI and CII regulations. Thereafter, as war erupted between Russia and Ukraine and inflation began to rise, there was major overhaul in the dry bulk trading patterns owing to war-zone trade disruption, sanctions on Russia by the West and forming of new demand-supply balances basis these factors. Accordingly the dry bulk freight markets have witnessed a steady fall since May 2022. Meanwhile, there were also some regional issues which could have detrimental impact on dry bulk trade such as, reduced production of iron by Brazil's Vale, slowdown in China's manufacturing sector due to COVID related curbs, surging inflation in import intensive countries in Africa and Asia affecting demand are some of the factors which may potentially hamper dry bulk trade.

It would be prudent here to mention that all of the above forecasts have an underlying assumption of COVID-19 pandemic being under control during 2022-23 and no further escalation in Russia – Ukraine war. Since the situation is quite dynamic, it has capacity to weaken the global trade, thus sharply pulling down the shipping freight markets across segments.

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

B SEGMENTWISE FLEET & MARKET STUDY

1. BULK CARRIER AND TANKERS

a) Crude Oil & Product Tankers

In the year 2021 the global demand for Crude Oil registered a decent rebound of 6.20% to 97.6 mbpd (million barrels per day) over the previous year. It is forecasted that recovery in global oil demand will be thwarted by Russia-Ukraine crisis and re-emergence of COVID-related restrictions in China. China's manufacturing will be affected if COVID cases persist in China, as the Chinese government has implemented a strict zero-COVID policy. This may adversely impact the China's oil demand. Meanwhile, an even greater impact is forecasted on the oil supply side due to Russian crude and CPP being sidelined on account of sanctions. It is estimated that the gap generated by absence of Russian crude may not be fully covered even if rest of OPEC+ and US significantly raise their crude production outputs. Thus, global oil recovery which was predicted to render pre-COVID oil demand levels in 2022, may be delayed and as per predictions pre-COVID oil demand levels are now seen only in 2023. Further down the road, improving fuel efficiency and rising adoption of electric vehicles are expected to limit global oil demand growth.

The Indian crude oil import demand which had been steadily rising for the past few years, rebounded after a sharp dive to the levels of around 211.98 MMT in 2021-22, which represents an increase of 7.90% over 2020-21. The Indian oil demand was already showing signs of stagnation even before the pandemic. The pandemic and now inflation plus geopolitical crisis are expected to dampen recovery prospects.

US domestic crude output is likely to increase by about 0.8 mbpd in 2022, a decent bounce back of 7.15% over the year. In case of US, the new administration has put the new oil and gas leases on hold for days soon after taking charge. The climate plans of new administration are expected to make it difficult for shale oil producers to increase production. Meanwhile, OPEC countries & their non-OPEC allies (collectively known as (OPEC+), are set to ease their production curbs, thus marginally increasing their share in the global crude oil production. However, Russia's crude production is expected to drastically fall in the face of weak demand for its crude basis sanctions. There were deliveries of 16.6 million dwt of Crude oil tanker tonnage and 4.82 million dwt of (IMO Class) Product tankers tonnage in 2021. Looking further down the line, the expected deliveries of Crude oil tankers in 2021 and 2022 are 18.6 million dwt and 12.8 million dwt respectively. For Product tankers, the respective delivery figures are 4.97 million dwt and 4.14 million dwt for 2022 and 2023. New building prices for crude tankers saw a deep decline in 2021, decreasing by 10.16% on average, since the freight markets are unattractive and owners are hesitant to place new building orders due to uncertain scenario in near future on charter rate as well as environmental regulations side. The prices are forecasted to soften till markets recover as weak oil demand will translate into weak orderbook. Meanwhile, New building prices for product tankers also decreased in 2021, decreasing by 4.23% on average. In tonne-mile terms, the crude oil trade contracted by -0.53% in 2021 as compared to the previous year, while products trade expanded by 5.94% in the same period.

In near future crude as well as product tanker freight markets will strongly depend on how Ukraine-Russia war situation develops, as global oil supply & demand are greatly interlinked with the same. Also, other important factors such as inflation and COVID lockdown situations will have a bearing on oil trade and tanker trade in the coming year. The average spot rate yield (TCE) of TD3C route of AG/China for VLCC was US\$ -742/day in 2021. The future market in this segment appears to be in the range of US\$ 8,000-17,000/day, impacted significantly by

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global crude oil supply as well as demand shock and increased tonnage oversupply creating market imbalance. One Year TC rate for VLCC was about US\$ 21,000/day in 2021, however unfortunately due to Russia-Ukraine war, there will be no respite for VLCC owners. This is due to large oversupply of tonnage and shift in trade leading to very weak demand of VLCCs. The Suezmax rate yield on West Africa – North West Europe (TD20) route was about US\$ 3,000/day in 2021 which is expected to return to marginally decent level of by about 291.19% year over year, in the next year. For Aframax segment, the spot rate on AG/Far East route (TD8) was US\$ 1,800/day. These freight levels were drastically depressed, but like Suezmax segment, rates are expected pick up somewhat decent levels of upto \$9,000 in 2022, and currently the projections thereafter are decent. For Product tankers, LR1 Spot rate on AG/East route (TC5) was US\$ 6,900/day in 2021 and expected to exhibit rising trend in 2022 and 2023. Average One year TC rate for LR1 was US\$ 14,400/day, which is a significant decrease from the previous year's TC rate, and not enough for LR1 owners to earn sizeable profits. In MR tankers, on US Gulf/UKC route the spot rate was at lower levels of US\$ 8,100/day in 2020. One Year TC rate for MR tankers was US\$ 12,400/day in 2021 and is expected to rise up to level of US\$ 13,200/day over the next year.

Your company has five VLCCs & all were operational during the year 2021-22. They were mainly employed on a mix of a time charter & spot voyage charters with Indian as well as foreign charterers. The time charter fixture rendered good earnings, while voyage charter fixtures earnings were in line with market. Your Suezmax tankers were mainly deployed with the Indian oil industry and performed voyage charters mainly, for both PSU as well as private charterers. Older Suezmax vessels however, unfortunately had lesser employment opportunities due to performance issues & problems in port acceptances. The Aframax COA earnings are based on AFRA, which has been moderate throughout the year. The time charter rates compare well with respective market benchmarks.

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 duties etc. Their earnings compare well with market levels. Another LR-I tanker MT Swarna Kaveri was used in CPP cargoes tanker for hauling Clean Petroleum Product cargoes worldwide. It was employed with Indian as well as foreign charterers in voyage charters.

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

Your 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. All 3 tankers were deployed on Indian coast on Spot voyages for short periods during the financial year. MT Swarna Kalash, MT Swarna Pushp and MT Swarna Mala, which were deployed along the 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.

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 occasional lighterages in Indian waters.

OPPORTUNITIES

Ongoing Russia-Ukraine war will be changing the trade patterns in both crude as well as clean petroleum product tanker spaces. Most European nations are contemplating a complete ban on Russian oil. Also, many Asian countries shall reduce imports of Russian oil due to fear of sanctions. This gap in supply to Europe and Asia is expected to be filled by Middle East and U.S. This is predicted to give significant boost to tonne-mile demand, thereby generating opportunity for higher freight rates. Further, if the scenario of low oil supply brings about a change in US's stance on Iran, then Iranian oil can fill the oil supply gap and generate cargo opportunities in crude tanker space.

In product tanker trade also, the changing trade pattern due to sanctions on Russian crude, is likely to boost tonne-mile demand. There will be more demand for MRs in Atlantic basin, due to increased CP trade between Europe and US. Thus, strategically deployed MRs as well as larger vessels will have opportunities to perform long hauls at elevated freight levels.

Also, due to prolonged low freight levels in tanker markets, there might be a liquidity crunch in the market. Moreover, new building orders may dry up due to unresolved ambiguity with respect to decarbonization and green shipping norms. Both these factors combined, shall bring down rates in both primary and secondary tanker sale/purchase markets, creating good value-buying opportunities for tanker owners.

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

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

Risks and Concerns

There were geopolitical and structural concerns to the oil trade even before the pandemic struck. Many of those issues - US and China trade tensions, sanctions on Iran, violence in Middle East waters, Venezuelan crisis, slowdown conditions in US, Europe and some Asian economies etc. still persist. However, Ukraine – Russia war has now upstaged them all and has unfortunately become the leading cause of concern across the globe. It has caused major surges in inflation worldwide which has forced countries to tighten monetary policies, thereby hampering growth worldwide. It has caused both supply-side shocks as well as demand-side shocks in global oil trade. This has the potential to derail the tanker market recovery in medium-term and keep tanker rates at ultra-low levels.

Furthermore, any escalation in COVID cases in China could cause prolonged lockdowns and severely impact China's oil demand. This could hurt tonne-mile demand in a significant manner. Also, reduced oil demand in China will not let VLCC markets recover to profitable levels.

A change of stance by new US administration on Iran sanctions may change the Middle East tonnage scenario overnight, as a lot of Iranian vessels shall be free to do global market cargoes. This tonnage oversupply also poses a risk to an already off-balance market, pulling the tanker earning still lower.

b) Dry Bulk

Dry bulk markets fared quite well in the passing year due to the demand-rebound for commodities upon easing of the pandemic restrictions worldwide. Looking ahead, though the dry bulk rates will step off from their peaks, they are expected to remain at reasonably high levels in 2022 also. Presently the deliveries of dry bulk tonnage have not risen aggressively whereas there is reasonable activity in demolition market. Also, the tonnage will be well occupied due to mandatory slow steaming due to CII regulations, making tonnage demand-supply favourable for owners. However, there are some negative developments also which might affect dry bulk trade, such as re-impositions of lockdowns in China after 1 year, persistent inflation hampering growth prospects etc.

The benchmark Baltic Dry Index (BDI) rose sharply to an average value of 3020 in 2021-22, against an average of 1357 in 2020-21, exhibiting a phenomenal 122.53% increase, while registering its highest average monthly value of 4820 in October 2021.

When compared to 2021, dry bulk trade is set to exhibit a rise of 3.99% in 2022, with tonne-mile demand increasing by an estimated 3.84%. The dry bulk global seaborne trade is expected to grow at an average of 2.7% - 4.0% for the subsequent 3 years.

The dry bulk fleet grew by 1% in the year 2021. Dry bulk fleet growth is expected to be elevated for the next 2 years however, as a high number of deliveries are scheduled. On account of attractive charter rates, a lot of inactive dry bulk tonnage will be made available for chartering. This extra active tonnage in the market is expected to offset low deliveries and keep the trading fleet at a higher level.

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 grow by 3.84% in 2022, while the tonne-mile demand is expected to also register a rise of 3.84%.

Global seaborne iron ore trade is set to expand by 3.08% (forecasted) in 2022. With regard to Non-Coking Coal, India's imports are predicted to rise marginally, from the levels of 138 million tons in 2021 to a forecast of around 146 million tons for 2022. India's imports of Coking Coal are set to rise in 2022, with imports of about 68 million tons in 2022, as compared with imports of 63 million tons in 2021.

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 FY21-22. Seaborne trade (imports) of major grains remained upbeat, recording a rise of 12.20% in the year 2021, with major exporters being European Union, USA, Ukraine, Russia, Australia, Canada, Argentina and Brazil. On demand side, encouraging trends are present with factors such as growing population translating into growing grain demand, increasing demand from Asian and African countries and corresponding increase in tonne-miles in the grain trade.

Global steel production is projected to increase by 4.32% in 2022 with economies recovering from the disruptions caused by the pandemic. Major drivers of the crude steel trade will be India and China, with European steel trade taking a hit due to Russia-Ukraine crisis. Moreover, the Indian government's push for infrastructure development will eventually strengthen demand for steel over the next few quarters.

In the year 2022, it is projected that 77 dry bulk ships will be sold for demolition as against 60 dry bulkers in the previous year. Such reduced scrapping numbers are mostly because of higher market levels discouraging owners from scrapping in spite of tonnage restructuring along with liquidity crunch, and inflated fleet size is a discouraging sign for future dry bulk market.

In the year 2022, One-year Time Charter rate of Handymax is projected to be US\$ 19,200/- pdpr, whereas for Supramaxes the same is US\$ 19,800/- pdpr. In the Panamax segment, the one-year TC rate in 2022 is forecasted to be US\$ 21,200/- pdpr. In the upcoming years, the freight rate forecasts exhibit an upward trend, with market forecasts showing decent 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, 2022. The bulk carriers fleet is relatively young with an average age of about 10.2 years. The earnings of our dry bulk fleet were in line with markets. In addition to the usual foreign voyage//trip-time charter/time charter mix, your dry bulk carriers were also employed on Indian coast, performing a few coastal time charters & voyage charters, whose

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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.

Opportunities and Threats

The dry bulk trade is expected to provide fairly good returns to shipowners in 2022, similar to 2021 when dry bulk trade picked up in the 2nd half of year. Although there may be occasional dips due to geopolitical, pandemic curbs-related factors, most dry bulk analysts have predicted a decent market in general for the next 1.5-2 years. As mentioned earlier, the rebound due to opening up of economies from COVID restrictions generated high demand for dry bulk commodities in a short span of time. The freight rates increased because of the same and have stayed higher. This presents an opportunity for dry bulk owners to galvanize their tonnage and earn handsome income helping to mitigate their multi-year losses.

Moreover, there are factors which are lending support to the tonnage demand-supply balance in favour of owners. One of the main factors amongst them will be the Russia-Ukraine war. Both Russia and Ukraine are major producers of agricultural commodities. The destruction hampering of Ukraine's produce and sanctions on Russian produce will mean European and African grain importers will have to cover their demand from further away U.S. and Australia. This will translate into a significant boost to tone-mile demand. Also, another important tilting the tonnage demand-supply balance in favour of owners will be the upcoming EEXI and CII regulations, due to which many vessels are expected to sail at a lesser speed. 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 coming year too. This is a welcome development for our dry bulk ships, which are hauling a good portion of the import coal cargoes for India.

India has launched many schemes such as 'Saubhagya Yojna', which plans 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 significantly robust demand-supply network for electricity. Government of India has also proposed other projects like 'Bharatmala' which plan to create an unprecedented road network in India by constructing roads spanning thousands of kilometers. Also, PM GatiShakti National Master Plan (PMGS-NMP) was launched in October 2021 for providing multimodal connectivity infrastructure to various economic zones. PM GatiShakti, a transformative approach for economic growth, is driven by 7 engines, namely: Railways, Roads, Ports, Waterways, Airports, Mass Transport and Logistics Infrastructure. The coal, steel & cement needed to implement these schemes will see a high demand growth in dry bulk materials, both for coastal movements as well as for imports.

Risks & Concerns

Advent of renewable energy-centric policies and increasing use of renewable energy sources as a means of transportation and mass-scale production, poses a significant threat to the dry bulk trade. Many countries are shifting focus from traditional energy sources towards the 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 and poses a significant risk on seaborne dry bulk trade.

Domestic factors such as ban on iron ore mining in Goa / Karnataka, lengthy legal process involved in clearing the hurdles 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.

Dry bulk trade is affected mainly by following factors – recurrence of COVID cases in China have led to lockdowns and restrictions. It has affected many manufacturing hubs in China. This may reduce Chinese appetite for raw materials and dry bulk commodities. Hence, reduced tonnage demand to and from China presents a significant downside risk to the dry bulk trade.

Another factor is that rising commodity prices due to war in Europe have created severe inflationary pressures on a global scale. Thus, many developing countries, especially the countries having high import dependence will have their currencies deteriorated and could face a slowdown in growth due to inflation. Economic slowdowns may result in reduced demand for dry bulk commodities and this may derail the recovery in dry bulk trade. One more incidental factors affecting the dry bulk trade in 2022 is the reduced production of iron ore by Brazil's Vale (due to heavy rainfall) and by Australian BHP due to worker-related issues in western Australia.

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. In case of persisting future slowdown in these major trades globally the earnings of panamaxes may suffer.

The absence of long-standing COAs & similar assured business opportunities stand to make your company's dry bulk business volatile & open to adverse impacts by the market forces. One more aspect that may churn 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 value 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.

c) LNG Transportation

LNG Transportation LNG is playing a major role in the energy markets with many countries turning to natural gas to meet their energy needs. The global LNG market is expected to witness a compound annual growth rate of 8.1% from 2022 to 2030 to reach USD 208.85 billion by 2030. 50% of the global LNG demand growth upto 2035 is expected to come from Asia. The Global Trade in LNG rebounds strongly during 2021. The trade hits 380 million tones, an increase of 21 million tones (or 6%) compared to 2020

With the increasing thrust on cleaner fuels, the Asian markets have seen rapid increase in the usage of liquefied natural gas (LNG). China becomes the world's largest LNG importer with LNG imports reaching 79 million tones. India is the 4th largest importer of LNG in the world with imports of about 22 MMT last year. Owing to continual growth in economy and rising concern on using cleaner source of energy has led to the gradual increase in share of natural gas in the energy mix of India. It is expected to increase from 8.5% now to 10% in 2025 and 15% by 2030. A number of new infrastructure e.g. regasification terminals and natural gas pipeline are being developed in various parts of the country, which would strengthen the development of LNG market in India. India presently has regasification capacity of 30 mmtpa, which is expected to go up to 55 mmtpa by 2025. Similarly, India's gas transmission pipeline of 16,200 km is also witnessing huge capacity augmentation and is expected to reach around 27,430 km by the year 2025. It is likely that India would be the third largest importer of LNG in the world in the next five years.

India has made a commitment in the Paris Agreement 2015 to reduce the Carbon Emissions Intensity by one third and has agreed to achieve this by increasing the share of renewables in its energy mix from 6.2% now to 15% by 2022 and 40% by 2030. This is a very ambitious target and Natural Gas and Solar power are going to be the biggest contributors in achieving the same.

Power and Fertilizer sector remain the two biggest contributors to natural gas demand in India and continue to account for more than 75% of gas consumption. Balance 25% is consumed by the Petrochem and other industries, and city distribution for vehicles and domestic consumption. Currently the natural gas demand far exceeds domestic supply in India and the situation is likely to prevailing future as well. Given that there are very few new domestic sources available, additional demand is likely to be catered through Re-Gasified Liquefied Natural Gas (R-LNG) in future. India's increasing appetite for LNG has spawned a dozen plans for import terminals across the west and east coasts of the country. The ramp-up of existing facilities and Construction of new LNG terminals could theoretically more than triple current capacity to over 80mtpa of regasified LNG over the next 10 years.

While the Middle East, in particular Qatar, was the sole supplier of LNG to India till 2004 and remains the largest LNG supplier at present, the range of suppliers is becoming increasingly diverse. India started diversifying its supply portfolio from 2006 onwards and imported LNG from many other countries including Algeria, Nigeria, Yemen, Australia, Trinidad and Tobago, Russia, UAE, Norway, Indonesia and Oman.

Currently, LNG is imported in India through mix of long term, short-term and spot basis. An important factor in the future viability of planned import projects is India's ability to secure long-term LNG contracts at competitive prices. Current long-term contracted volumes fall way short of the potential growth in LNG demand forecast by numerous sources with newly-signed contracts pointing towards only an incremental increase.

Earlier the Indian market was unable to commit to short-term contacts (up to two years) and spot purchases as the country lacked adequate gas infrastructure. However, short-term and spot market accounted for most of the increased LNG supply in the two years given that only 7.5 mtpa of LNG import is through long term contracts. While India remains one of the most price sensitive markets for LNG in Asia, short-term demand is not solely determined by the level of spot LNG prices. Competition from competing fuels, the price of contractual LNG and terminal constraints can play a role in tempering the level of spot imports. In an uncertain crude price environment, buyers may also favour an alternative balance between pure spot trades and structured contracts as part of the overall short-term mix in the near term.

India will remain sensitive to the price movements in the global LNG market with buyers switching to coal from gas for power generation with reasonable flexibility. Hence we can conclude that going forward, the industry is likely to see an increased trend of procuring LNG through midterm and short-term contracts as these will be negotiated at rates cheaper than spot prices.

The Indian Government has plans to connect 10 million households with piped gas from the current 4.8 million households. There have been many rounds of bidding for various geographic areas for giving out licenses to companies for setting up distribution network and supplying Natural Gas in many districts. Overall Billions of Dollars have been committed in total and once implemented almost 70% of the country would be geographically covered with Piped Gas for Domestic use.

While India is emerging as major LNG market of future with all round development in LNG terminals, gas pipelines to attain desired sustainable growth, a comprehensive approach which can meet suppliers expectation on one side and meet consumers price expectation on other side needs to be firmed up. India would also need to take strategic decisions like upstream participation in integrated liquefaction projects, tax efficient structures, and a consumer friendly regulatory environment to make this dream a reality.

DIRECTORS' REPORT

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 operating 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. SCI officers also took delivery of Vasant 1, the FSRU which will be positioned at Swan Energy's Jaffrabad Terminal in Gujarat once the terminal is fully operational.

d) LPG Carriers

Imports of Liquefied Petroleum Gas in India averaged 1.06 Million Tons per month from 2014 until 2022, reaching an all time high of 1.71 Million Tons in August of 2021. India LPG market demand stood at 30.6 Million Tonnes in FY2021 and is forecast to reach 36.9 Million Tonnes by FY2030. An increase in the demand for Liquefied Petroleum Gas as a residential, industrial, and transportation sector is the major driver for the forecast period. The growing demand for clean cooking fuels in rural, as well as urban households, is expected to give a boost to the country's LPG market in the forecast period. Support of the government in form of initiatives and subsidies to boost the sales of LPG is contributing to fuel the market growth. During the COVID-19 pandemic, the Indian government ramped up wholesale distribution of LPG and retail distribution of LPG cylinders which fall under essential services. Demand from the household sector increased manifold to satisfy the growing demand due to the government's imposed lockdown restrictions and the increase in the number of consumers staying at home and preferring home-cooked meals. However, the demand from commercial and industrial sectors faced set back due to the temporary closure of the industries which may hinder the growth of the market.

Your company's sole VLGC carrier - VLGC Nanda Devi, was employed under time charter with Indian energy PSUs during this financial year. The daily earnings were attractive as compared with markets.

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. In the smaller segments consisting of 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 segment has ensured returns in line with market trends. However, with globally weak tanker markets, there was strong competition in coastal & clean product trades which hampered their earnings to an extent. Also, a noteworthy chunk of potentially lucrative earnings opportunities was lost due to unfortunate mishaps and inherent technical issues on the vessels. Internationally, in the aftermath of COVID-19 induced oil demand plunge, a heavy fall in market fortunes across the company's usual trade routes resulted in very low charter rates. Overall, overly depressed freight levels meant the tankers segment gave a highly subdued performance.

The dry bulk segment is still recovering from historically bad period and loss of key cargoes such as Iron ore exports from India, resulting in long non-profitable ballast legs thereby putting pressure on earnings. Although, in later parts of 2021, dry bulk trade recovered remarkably well on account of stimulus packages given by various governments and rebounding of demand worldwide. Simultaneous occurrence of multiple factors conducive for the dry bulk shipping business, viz., spike in dry bulk materials demand, strong trade in grain, coal and iron ore segments, low active fleet growth maintaining tonnage balance etc. gave a hefty push to the dry bulk rates. Also, strong trade growth and tapering dry bulk carrier deliveries bode well for the near future.

(e) Information Technology:

SCI has a robust ERP system in place. These systems are hosted on our own Data center located at Powai and having a Disaster Recovery Site at Kolkata office to ensure business continuity during any emergency. E-tendering platform is being extensively being used for procurements, which enable transparency and efficiency in procurement processes. SCI has implemented Vendor Invoice Management system which facilitates the vendors to register their invoices centrally and the same go through a work flow mechanism for approvals till settlement. Vendor has a facility to track and understand the status of their invoices. The system ensures transparency and efficiency. SCI web site www.shipindia.com has been revamped with a new look and accessibility.

2 LINER & PASSENGER SERVICES

Industry Structure & Developments

(i) World Scenario

The shipping industry witnessed serious onset of the COVID-19 pandemic in year 2020, and then year 2021, showed the after-effects and side-effects of the pandemic really hitting hard, sparing no one globally, least of all global supply chains. The year 2021 saw widespread disruptions in the industry globally, characterized by serious port congestion, caused by a combination of the impact of COVID-19 pandemic, port inefficiencies, an increased trade demand and not to mention the brief but disruptive blockage of the Suez Canal; The year was also marked by extreme rate hikes on all trades, high container dwell times inside ports both on exports and imports, increased blank sailings,

record volumes of containers handled at various ports around the world; shortage of ships and containers due to these two vital assets being held up elsewhere than required.

In spite of these disruptions, global trade touched record highs in 2021. As per UNCTAD, global trade reached about US\$ 28.5 trillion in 2021, which is an increase of 25% compared to 2020. While most global trade growth took hold during the first half of 2021, progress continued in the year's second half. After a relatively slow third quarter, trade growth picked up again in the fourth quarter, when trade in goods increased by almost US \$200 billion, achieving a new record of US \$5.8 trillion.

While the positive trend for international trade in 2021 seems to have been largely as a result of strong recovery in demand on the back of subsidised pandemic restrictions, economic stimulus packages, and increases in commodity prices, the forecast for 2022 remains uncertain due to several factors such as :

- Slowing economic recovery in second half of 2021 mostly due to slow economic growth of China in 3rd Quarter of 2021 which was below expectations and lower than in previous quarters.
- COVID-19 disruptions continue in many economies, including in EU and this could negatively affect consumers' demand and ultimately be reflected in trade statistics for upcoming quarters.
- Global semiconductor shortage due to unprecedented demand has disrupted many industries especially automotive industry and if this persists, could continue to negatively affect production and trade in many manufacturing sectors.
- Geopolitical factors such as regionalization of trade flows and implementation of regional trade agreements, such as the African Continental Free Trade Area and Regional Comprehensive Economic Partnership could influence global trade patterns due to an expected increase in regional trade cooperation within Africa and within Asia-Pacific area.
- Debt burdens such as additional borrowing by governments to sustain their economies during COVID-19 crisis could pose continuous risks of financial instability in many countries and negatively affect investments and international trade flows, especially for developing countries whose fiscal policy space is limited.

Apart from above major factors, economic recovery from pandemic in 2021 has been characterized by large and unpredictable swings in demand, which have resulted in increased stress on supply chains, brings us to a never before seen scenario of disruptions in logistic networks and unprecedented increases in shipping costs. Backlogs created by this increased demand has had a major impact on global supply chain hubs negatively affecting trade and reshaping trade flows across the world.

While COVID-19 pandemic ravaged global trades, economies, and many industries, maritime industry seems to have defied the COVID-19 disruption with a less than feared impact in 2020. Volumes fell less dramatically than expected and had rebounded by the end of the year 2020, laying the foundation for a big transformation in global supply chains and new maritime trade patterns emerging in 2021.

Maritime trade contracted by 3.8% in first half of 2020 with global volumes returning for both containerized trade and dry bulk commodities by the end of 2020 setting the stage of a solid year for 2021. UNCTAD attributes the better than expected performance of the maritime trade to fact that the COVID-19 pandemic unfolded in phases and at different speeds, with diverging paths across regions and markets.

In 2020, global container trade fell by 1.1% to 149 million twenty-foot equivalent units (TEU) which was a better outcome compared to the 8.4% plunge in 2009 following financial crisis. Container volumes bounced back quickly as consumer demand increased, boosted by stimulus packages and measures to support incomes during COVID-19. The bounce-back in 2021 brought along with it a shift in consumption patterns away from services and more towards goods, especially online purchases along with health products and pharmaceuticals to counter COVID-19 and home office equipment as work from home increased.

This surge in trade however resulted in several logistical bottlenecks globally and in 2021, the whole industry, including shipping, ports, shippers, and inland carriers struggled with shortages in containers, transport equipment like chassis and space on container ships. This has added to severe port congestion across several ports globally and reduced service levels and carrier reliability, while exponentially increasing freight rates and surcharges.

On supply side, global fleet increased by an overall 3.04% in 2021 compared to 2020 across all types except for General Cargo Ships and other ships.

(ii) Indian Scenario

Major Indian ports reported 719.38 million metric tonnes (mmt) of traffic movement in FY 2021-22. This is 6.94 % higher than 672.68 mmt traffic movement in FY 2020-21. Five major ports of the country recorded their highest ever traffic during the year. These were Kamarajar Port, Jawaharlal Nehru Port Trust, Deendayal Port, Mumbai Port and Cochin Port. Cargo traffic at Non Major ports reached 575 mmt in FY 2021-22.

In November 2020, Prime Minister launched the Maritime India Vision 2030, which contains the targets to be achieved by Maritime Sector over next decade along with strategies related to each of the stakeholders of MoPSW. Sagar-Manthan: Mercantile Marine Domain Awareness Centre (MM-DAC), which is an information system to enhance maritime safety, search, rescue capability and environment protection, was also launched.

DIRECTORS' REPORT

Maritime India Vision 2030 was formulated by Ministry of Ports, Shipping and Waterways with objective of propelling India to the fore-front of Global Maritime Sector in next decade. Over 150 initiatives covering 515 key activities across 10 themes encompassing all facets of maritime sector have been identified to form the building blocks for future of Indian Maritime sector.

MIV 2030 envisions an overall investment of INR 3,00,000 – 3,50,000 Cr across ports, shipping, and inland waterways categories. This Investment amount excludes projects already under implementation stage as part of Sagarmala project. This vision roadmap is estimated to help unlock INR 20,000+ Cr worth of potential annual revenue for Indian Ports. Further, it is expected to create an additional 20,00,000+ jobs (direct and non-direct) in the Indian maritime sector.

Major strides have been taken at major ports towards the digitization of key EXIM processes. The PCS 1x has digitized processes such as Electronic Invoice (e-Invoice), Electronic Payment (e-Payment) and Electronic Delivery Order (e-DO) for physical release of cargo by custodians. Further, process of generation of electronic Bill of Lading (e-BL) and enabling Letter of Credit (LC) process to be conducted digitally have already been implemented in the PCS 1x. There is also going to be complete integration between PCS 1x and Indian Customs EDI Gateway (ICEGATE).

Radio Frequency Identification Device (RFID) solution has been implemented at all major ports to enable seamless movement of traffic across port gates, including substantial reductions in documentation checks. Upgradation and integration with recent technologies - IGoT, Block Chain etc. to ease transaction and real time basis tracking has been envisaged in Maritime India Vision 2030. Further process to bootstrap PCS 1x into National Logistics Portal-Marine (NLP-Marine) is already underway which will act as a Unified Digital Platform for all maritime stakeholders. NLP Marine + PCS 1x platform is envisaged as the central hub for all interactions with various stakeholders viz. Ports, Terminals Shipping Lines/ Agents, CFS and Customs Brokers, Importer / Exporter etc.

In line with the "Act East" policy, the Ministry of Ports, Shipping & Waterways (MoPSW) has taken up several infrastructure projects on National Waterway-1, Indo-Bangladesh Protocol route, and NW2, through the Inland Waterways Authority of India (IWAI). Union Minister of Ports, Shipping & Waterways and AYUSH, flagged off an inland waterway vessel m.v. Lal Bahadur Shastri from Patna to Guwahati on 05.02.2022. Vessel started its journey from Patna carried 200 Metric Tonnes of food grains headed for Pandu in Guwahati & travelled via Bangladesh to reach the destination. These steps are expected to enhance connectivity with North Eastern Region (NER) through waterways.

As a part of its Diamond Jubilee celebrations of SCI, SCI commenced its direct "India – Middle East Shipping Service". Flagging-off the vessel was done by Hon'ble Minister of Ports, Shipping & Waterways. This service connects East & West Coast of India with Middle East ports of Jebel Ali and Hamad and will also cater to other ports in Persian Gulf, thereby, providing greater port coverage while maintaining an efficient and reliable service.

The Shipping Corporation of India Ltd. achieved a historical feat when Shri, Minister of State (Independent Charge) for Ports, Shipping & Waterways, virtually flagged off the "All Women Officers' Sailing" on MT Swarna Krishna - SCI's crude oil carrier from JNPT Liquid Berth Jetty on March 06, 2021.

(iii) Business Sector and Outlook

The Ongoing conflict between Russia and Ukraine has major ramifications for global economy, which is just recovering from stress of the coronavirus pandemic. Economic damage from conflict may further result in a significant slowdown in global growth in 2022. According to the WTO, World merchandise trade volume is expected to grow at 3% in 2022 and 3.4% in 2023.

A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are expected, along with worldwide spillovers through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries being most affected. Elevated inflation will complicate the trade-offs Central Banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as Central Banks tighten fiscal policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty. In addition, conflict adds to economic strains wrought by the pandemic.

It is estimated that freight rates will be moderated and will drop by 30-40% in 2022. However, it is highly unlikely that they will drop back to the 2019 level. In 2021, delays caused transport capacity to decrease by over 3.1 million TEU (12.5% of sea transport). However, in 2022, this situation is to change for the better – it will be easier to secure a container. It is estimated that containerized export will increase by 2-3% in 2022.

On supply side, in 2022, the global fleet is expected to be expanded by many units. In 2020, the fleet increased by 3%, in 2021 – 4.3%, and in 2022 it is expected to increase by 4.5%. However, the biggest increase is forecasted for 2023 – 7.5%. In 2022, at least 22 large container ships (COSCO Shipping, CMA, OOCL, and MSC) are set to make a beginning.

(iv) Expected changes and trends in Shipping during 2021

Continued Disruptions and Equipment & Space Scarcity

Most defining characteristic of Container Shipping market would be a continuation of the large scale disruptions that industry has witnessed since 2020 when Covid wreaked havoc across global supply chains. These disruptions and consequent unreliability have manifested into exponentially higher transport costs and historically low schedule reliability levels, which have affected Shippers and Carriers differently. While Shippers and end consumers have been forced to pay premium for shipping space and thus ensure that their Supply Chains are at least partly functional, Carriers have booked record profits. Though Shippers were hopeful of a return to pre-Covid levels in 2022, the way events have unfolded since the start of the year has heightened probability of supply chain breakages and schedule unreliability continuing into 2022 as well.

Congestion at Ports

One of the contributory factors behind the disrupted transport chains was the unprecedented levels of congestion that afflicted major ports worldwide. While the spotlight has primarily been on US West Coast ports, most major ports in the US East Coast and Europe have been affected as well. The congestion initially started at US West Coast ports, as a consequence of increased American consumer demand (on account of changed spending and trading patterns, fuelled by a lockdown induced shift from services to goods). As vessels started queuing up and congesting US West Coast ports, Shippers and Carriers started substituting with East Coast ports (an option enabled by the Panama Canal expansion a few years back). This however has caused congestion at East Coast ports as well. A similar sequence of events played out at European ports too.

Vessel capacity and containers tied up at congested American and European ports meant that there was a corresponding scarcity at origin ports across Asia, thus making it a global phenomenon. A perusal of congestion levels in the first 3 months of 2022, as well as the sailing schedules published by Container Carriers, makes it seem unlikely that any mitigation in congestion levels will happen in 2022.

Covid-Induced Lockdowns

The Entire chain of disruptive events was triggered by the Covid pandemic and precautionary lockdowns imposed thereafter, by countries around the world. While the risks posed by Covid have abated somewhat over the past year, emergence of new variants and resurgence in China has threatened tenuous global recovery.

Situation in China is particularly alarming, with lockdowns imposed at main ports and manufacturing centres such as Yantian, Shanghai, etc. More concerning is the potential magnitude of the impact of these lockdowns. Analysts estimate that the lockdown in Yantian a couple of months back delayed more cargo than Suez Canal blockage last year. Even though ports and terminals are at times operational during lockdowns, the mobility restrictions imposed on population centres in the vicinity mean that in effective terms, port operations are hampered due to the unavailability of manpower and cargo not being delivered at the port premises/ evacuated to hinterland locations.

Unpredictability of the situation has weighed upon the entire transport chain, as Carriers find that port calls in their schedules can be closed at a moment's notice and Shippers find inland transport restrictions impede cargo and inventory movement, thus curtailing production and skewing delivery schedules.

Environmental Focus and Green Supply Chains

As environmental awareness grows world over and consumers and corporates become progressively aware of their responsibilities in reducing overall carbon footprint, we are witnessing enhanced focus on environment-friendly business and commercial practices. Driven by a growing consumer preference for eco-friendly products and services, coupled with the willingness to pay a premium for such products, sustainability has become a keyword for major corporates.

While selecting transport vendors (including shipping companies and inland hauliers), shippers and manufacturers the world over are laying greater emphasis on reduction of emissions and lower carbon footprints, to the extent that higher weightage is being given to these aspects in the annual tendering process.

Governments and international trade and maritime organisations too have been becoming increasingly cognizant of the need for shipping to reduce emissions and have been setting stiff emission reduction targets. Major container carriers have taken this a step further and set themselves emission reduction targets that are even more ambitious than what regulations stipulate.

Carriers are also allocating higher amounts for research on reducing emissions and becoming open to investing in new technology and fuel types. Proof of this is the LNG fuelled vessels that a growing number of Carriers have opted for in the last couple of years. It might seem counterintuitive that Shipping has been subject to such intense scrutiny, despite being one of the least polluting modes of transport. This is however explained by the fact that even though shipping is the most environmentally friendly mode of transport in relative terms (to other transport modes) and also at a per-unit level, sheer volume of internationally traded cargo that the maritime sector caters to means that total emission levels generated by the shipping industry are massive. Overall, this is one of the positive trends in the shipping industry, and though expected to raise freight rates, will in the long run contribute immensely to sustainable international trade and development.

Digitization and Automation

While shipping industry has generally not been one of the prime movers when it comes to the adoption of new and innovative technologies,

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unpredictability and chaos caused by successive black swan events over the last 2 years have significantly added to the complexity of planning the transport and shipping process, for both Carriers and Shippers alike and has compelled Carriers to consider investing in sophisticated transport planning systems and laying greater emphasis on digitization and automation in their internal processes.

The Permutations and combinations that the present scenario throws up render it impracticable to rely on rudimentary planning tools; a realization that is slowly dawning on Carriers. The Sector has therefore been heavily investing in technological solutions and also formed industry associations to standardize processes and facilitate automation and adoption of common industry-wide processes.

The Biggest players in the industry have for a few years now been exploring Blockchain technology and the increased usage of Big Data, AI and ML, with market leaders even forming a partnership to adopt these technologies to the maritime sector. Post the participation of the bigger players, medium-sized carriers and ports too have joined the partnership, thus rapidly creating the core mass that would be necessary for such technology to be widely adopted and become the industry standard.

(v) Strength & Weaknesses

Liner Division of SCI has vast experience in liner trade which is the most formidable force instilling confidence in cargo interests / owners who continue to lend their invaluable support to SCI.

The Customer friendly approach at all levels and SCI's customized services puts SCI ahead in the league.

The Wide network of agents, all across the world, provides and facilitates for localized contacts in markets to offer customized end to end logistics solutions.

Operating partnerships have been forged with internationally recognized container carriers in select consortia, to enhance coverage and frequency on major trading routes.

Breakbulk operations are largely profitable and provide stable source of revenue.

Though SCI started predominantly as a liner shipping company but currently has only 2 liner vessels with a meagre share of global DWT.

(vi) Opportunities & Threats

Govt. of India is taking lot of initiatives and is making huge investments to increase capacity of the Indian ports. Under Sagarmala Programme, the government has envisioned a total of 189 projects for modernisation of ports involving an investment of ₹1.42 trillion (US\$ 22 billion) by the year 2035.

As per MOC, merchandise export target for FY23 is expected to be around 10-12% growth over the US \$419 billion recorded in FY22.

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 revenue and profitability. 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, industry has to overcome challenges in the year ahead due to increase of mega-ship deliveries.

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 Government Departments / PSUs and other GOI organizations.

A Segment-Wise Performance

A.1. Liner Vessels: Table below shows profile of your Company's owned liner fleet having a total container carrying capacity of 8,800 TEU (nominal capacity).

| Type of Ships | As on 31.03.2021 | | Addition | | Scrapping | | As on 31.03.2022 | |
|----------------|------------------|----------|----------|------|-----------|------|------------------|----------|
| | No. | Dwt (MT) | No. | Dwt. | No. | Dwt. | No. | Dwt (MT) |
| Fully Cellular | 2 | 115,598 | - | - | - | - | 2 | 115,598 |

A.2. Both container vessels namely, m.v. SCI Chennai and m.v. SCI Mumbai are 13 years old. As on 31.03.2022, 1 in-chartered container vessel having Net Tonnage of about 7,600 MT was operated by your Company. In addition to above owned and in-chartered vessel, your Company also has cargo loading rights on 23 vessels of its partners in various consortia arrangements that your Company has with leading Shipping Lines such as Mediterranean Shipping Company (MSC), Sima Marine / Simatech etc. to name a few. Your Company continued to be present in the following sectors.

B). Container Services

B.1. Himalaya Service (erstwhile ISE Service): UK-C Cellular Container Service was commenced in 1994 by SCI, as a single operator, deploying three vessels of 1,800 TEU capacity. Service was subsequently upgraded to a fixed day weekly service with two partners deploying a total of seven vessels of similar capacity. During economic downturn of 2008-09, service was rationalized by forming a

consortium with MSC in May 2009, to operate a weekly service with a total of eight vessels, out of which two vessels of 4,400 TEU capacity was contributed by SCI.

Thereafter, in early 2016, service was upgraded to eight vessels of 8,500- 10,000 TEU capacity and accordingly SCI's contribution was revised to one in-chartered vessel of about 8,500 TEU capacity. Since August 2021, service is being operated by MSC with 9 vessels and SCI is maintaining its presence in India – Europe sector through purchase of slots from MSC as SCI was unable to induct a suitable vessel.

- B.2. IPAK Service: In a slot swap arrangement between SCI and MSC, SCI has been allotted 150 TEUs slots @ 12 MT/TEU by MSC, which operates IPAK service in exchange for similar slots allotted to MSC on Himalaya service.
- B.3. SCI Middle East India Liner Express (SMILE) Service of SCI and India West Coast Service (IWCS) & Chennai Colombo Gulf Service (CCG) of Partner: SMILE, IWCS and CCG services seamlessly links up Persian Gulf with East Coast of India and West Coast of India, thereby, strengthening and expanding SCI's presence in Coastal Shipping Sector. Joint operation on this route is a force multiplier for SCI, which provides high quality 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. Three services viz. SMILE, IWCS and CCG with their service rotations makes it feasible to connect pan-Indian ports with improved transit time. SCI seeks to cooperate with other Indian Companies to work out the best transportation solutions for the trading community vis-à-vis commercially, economically viable and environmentally feasible options. SCI connected West Coast of India to Southern and Eastern ports of India viz. Katupalli / Krishnapatnam / Vizag / Haldia / Kolkata and the Pan India service got stabilized during 2017-18 up till February 2021 thus, promoting GOI initiative 'Sagarmala' and increased coastal shipping.
- B.4. India – Maldives Shipping Services: India - Maldives Cargo Shipping Service between India and Maldives, was jointly launched through a virtual ceremony on 21.09.2020, adding a new chapter in the connectivity initiatives taken by both the countries in the Indian Ocean Region (IOR), connecting Indian Ports of Cochin and Tuticorin with Kulhuduffushi and Male. Majority shipments are of bulk/break-bulk nature, whereas, thrust is to fill-up vessel with containerized cargo for better profitability. As on 31st March 2022, the service has completed 32nd voyage.
- B.5. Inland Waterways Services: Inland and Coastal Shipping Limited, a wholly owned subsidiary of your Company has forayed into Inland Waterways Shipping Services by taking over IWAI vessels viz. m.v. Rabindra Nath Tagore and m.v. Lal Bahadur Shastri for operating these vessels on NW1 between Kolkata – Patna – Varanasi and on NW2 between Kolkata and Pandu. Subsequently an MoU has been signed on 11.03.2022 with IWAI for taking over of two RO-RO vessels viz. m.v. Gopinath Bordoloi and m.v. Sankar Dev
- B.6. Feeder Operations: SCI makes feeder arrangements with the "Common Carriers" between various destinations / port-pairs on the Indian Sub-continent.
- B.7. Slot swap arrangements: SCI enters into slot-swap arrangements with service providers depending upon trade requirements.
- B.8. 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 Cargoes (ODC) / Project cargoes / Heavy Lift cargoes / IMO Class I Cargoes etc. and also containers.

Marketing

SCI's marketing team continues to make regular customer calls through its own offices and also through agents appointed at various ports in India and abroad in order to market its container and break-bulk services. Meetings, Virtual Meetings with the agents are held periodically, and SCI representatives also participate in various trade meets at important locations in India.

Outlook

As per RBI, GDP growth is projected at 7.2-7.5% in 2022-23, with exports playing a crucial role. India's exports rebounded strongly and surpassed pre-Covid levels during 2021-22. Merchandise exports touched all-time high to US \$418 billion during 2021-22 more than yearly exports ever registered so far.

Budget 2022-23 has emphasized the long-term potential for Indian exports. It has set its priorities right — with emphasis on infrastructure development, building capacities in sunrise sectors and continued support to R&D — to support exports. While rationalization of customs duties and tariff simplification would boost exports in the short term, infra and institutional push envisioned in Budget would go a long way in generating positive externalities for export ecosystem in the medium to long-term.

In tandem with the above mentioned developments, SCI's Himalaya Service (erstwhile ISE Service) which posted positive results in the year 2020-21 is expected to continue to register positive performance in year 2021-22 and 2022-23 also.

SCI's weekly Coastal service (SMILE) and India West Coast Service (IWCS) & Chennai Colombo Gulf Service (CCG) of Partner with Owned vessels viz m.v. SCI Chennai & SCI Mumbai (52000 DWT) each deploying largest vessels ever deployed in coastal services is also expected to contribute to SCI's profits in the next year 2022-23 with Govt. of India's Make in India initiative and focus on increasing share of coastal

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shipping in cargo transportation.

For Inland Waterways, though India has been underutilizing its navigable waterways; however with government's focus and initiatives like Sagarmala and Gati Shakti Plan for development of Multimodal Transport, Inland Waterways could be a new sunrise sector. SCI is already operating in inland waterways and is looking for further opportunities for expansion through its Inland & Coastal Shipping Limited Company, which is a wholly owned subsidiary of the Shipping Corporation located out of Kolkata.

Risks & Concerns

As container freight rates in the last two years touched record high levels, it is unlikely that such rates will continue to maintain at the same levels this year. This can taper down SCI's Liner services profitability depending on reduction in box rates. SCI needs more partners for market expansion for its coastal services expansion. However, in absence of suitable partners / alliance with other coastal operators, SCI's coastal services growth may remain stagnant.

Discussion On Financial Performance w.r.t. To Operational Performance:

Your Company's liner segment registered a net profit of Rs.612.27 crores in FY 2021-22 as against Rs. 75.95 crores in 2020-21. Operating Income increased to Rs 1,469.14 crores in 2021-22 from Rs 601.66 crores in preceding year due to enhanced volumes and higher average freight levels. You may like to note that your Company has reviewed & revised existing SOPs and adopted various cost saving measures accruing to the liner services viz. considerable saving on feeder and trans-shipment costs by reducing carrying cargoes to non-base ports, better inventory management, control on repair costs of vessels and containers. On time schedule reliability of our services, particularly in Europe sector continues to be very good and comparable or better than the global players.

Measures Taken By Us To Improve Our Services & Operations:

Liner Division is ensuring that General Rate Increases (GRI) are being strictly implemented from time to time keeping in mind market sentiments and demand-supply gap dynamics. Performance of each Container Service is being reviewed monthly from the point of view of profitability. Ultra slow steaming is planned and achieved on the container ships. Liner Division has already expanded its Coastal and Feeder Services and is trying for further expansion. Further, ports like Kandla and newly emerging container ports in East Coast of India like Kattupalli, Krishnapatnam and Vizag are offering substantial discounts on trans-shipment 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 was done for intended services viz. Ex-India / Myanmar / Bangladesh / Thailand etc. Other feasibility studies been conducted for services like Ex-India / East African ports. Division is scouting for second hand vessel(s) if it fits commercial requirements.

Important Developments, If Any:

On 11th March 2022, a historic Memorandum of Understanding (MOU) was signed between Inland Waterways Authority of India & Inland & Coastal Shipping, a wholly owned subsidiary of The Shipping Corporation of India Ltd for taking over of two RO-PAX vessels, mv Gopinath Bordoloi & mv Sankar Dev. It was an exciting moment for us as this would mark entry of SCI & ICSL in to the sunrise segment of RO RO operations.

3. TECHNICAL & OFFSHORE SERVICES

Industry Structure and Developments

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.

Due to the covid-19 pandemic the year 2020 was hit by declining crude oil prices. This has changed in 2021-22 when the crude witnessed increasing rates. By the end of the year 2021-22, the crude price touched US\$ 100 per barrel, which is a positive indication for E&P companies to enhance their productions and in-turn leading to improved utilization for offshore assets.

Indian scenario

The restricted conditions due to covid-19 pandemic from 2020 had resulted in fall in consumption and production levels and many E&P projects were affected and rig movements were very low. The Indian offshore market showed some respite only when, in the second half of 2020-21, ONGC processed and concluded its tenders for long term charter, helping many owners secure employment for their vessels. However, throughout the year 2021-22 the offshore activities has remained subdued with only few selective opportunities for employment of offshore vessels.

Outlook

Most of the demand for Offshore Support Vessels (OSV) can be attributed to the rising deep-water development activities, driven by the deciling production from the mature fields and increasing crude oil demand. As per market dynamics, PSVs are expected to account for the



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largest share owing to the increasing demand for these vessels driven by the uptake in offshore drilling activities.

With the continuous upward trend shown by crude oil prices, the year 2022-23 is expected to generate increased opportunities for employment of offshore assets. Further, ONGC is also expected to come up with many tenders with long term requirement of offshore assets. Also, more requirements, albeit short term, are emanating from private operators/contractors in the Indian market.

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. It also has a young fleet giving technological advantage compared to older vessels in market. Further to keep the vessels technologically up-to-date your company has taken the initiative to upgrade its offshore vessels from UKOOA 'C' compliant to UKOOA 'B' compliant as per UKOOA ERRV guidelines. Further, during the period under review, your Company has successfully deployed majority vessels on long term charter thus ensuring steady revenues for long term period.

The effect of covid-19 pandemic continued in the year 2021-22 as well, especially during the 1st half of the year, with less employment opportunities in the spot market.

While SCI has a young and diversified offshore fleet, it is comparatively small to cater to needs of all the E&P companies in India. 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.

Opportunities and Threats

With increase in crude oil prices, the E&P activities are expected to rise, thereby creating shipping demand for offshore assets in Indian coast. Substantial potential foreseen for growth in offshore services on the Indian coast as well as in the neighboring areas. ONGC is coming up with many tenders with long term requirement of offshore assets. Further, in general, more requirements albeit short term, are emanating from private operators/contractors, thus various opportunities are expected for offshore vessels of your company.

Global economic instability has led to curtailment of E&P activities all over the world. This, in turn has resulted in loss of employment for OSVs worldwide and few assets are being diverted to Indian waters, due to which, the competition in upcoming tenders of ONGC for offshore vessels is expected to increase further, impacting the charter rates adversely. Further, due to fall in asset prices in the global Offshore S&P market, few private companies have bought offshore assets (for meeting ONGC requirements) at very low capex, which may become a threat while competing in upcoming ONGC tenders. Also uncertainty about renewal of O&M contracts by ONGC for vessels which your company has been managing since many years is a threat to the steady revenue that your company has been earning.

Risks and concerns

Although presently there is better control over the pandemic, the impact that the covid-19 pandemic would have in the future cannot be ascertained. Entry of new players in the Indian market with low capital expenditure is also major concern and challenge for your company. To counter the same, your company has been taking all efforts to deploy vessels on long term basis, so as to avoid the impact of fluctuations in charter hire rates in market.

Uncertainty about renewal of O&M contracts of vessels of ONGC, which were being managed by your company since many years, is also a matter of concern. Meanwhile, your company has enhanced its fleet of managed vessels by entering into an O&M agreement with Union Territory of Lakshadweep Administration (UTLA) for managing their vessels. In total 21 vessels of UTL Administration are being taken over by your company in a phased manner.

OFFSHORE ACTIVITIES:

The T&OS Division of SCI operates fleet of 10 owned offshore vessels. In addition to the above, it also manages 48 vessels of various organizations/Government departments. This comprises of 12 vessels of ONGC, 28 vessels of A&N Administration, 3 vessels of Geological Survey of India and 5 vessels of Ministry of Earth Science.

Information relating to the year under review viz 01.04.2021 to 31.03.2022:

The T&OS Division of SCI operates fleet of 10 owned offshore vessels. In addition to the above, it also manages vessels of various organizations/Government departments. As on 31.03.2022, this comprised of 12 vessels of ONGC, 26 vessels of A&N Administration, 3 vessels of Geological Survey of India, 4 vessels of Ministry of Earth Science and 9 vessels of UTL Administration.

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 under review, two MPSVs continued their charter with DRDO assisting them in their national missions of strategic importance. Also, one PSV (SCI Nalanda) which had entered into long term charter with ONGC last year, continued to be on charter. Similarly, two 120T AHTSVs which were hired on long term contract with ONGC during Q4 2020-21, continued their charter.

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One of the MPSV successfully completed its charter with DRDO in Dec'2021 and subsequently was immediately deployed on long term charter with Indian Navy for their prestigious project. Similarly, during the year, after completion of necessary modifications, two 120T AHTSVs were on hired with ONGC on long term contract. Further, one more vessel has been deployed with Indian Navy for one year period.

O&M of ONGC owned vessels

i. Offshore Supply Vessels (OSVs) of ONGC:

Your company continues to provide Operation & Maintenance (O&M) services of seven OSVs of M/s ONGC. These vessels are being managed by your company since their induction from 2013 onwards. These O&M contracts have been awarded till 31.03.2023, thus ensuring long term business for your company.

ii. 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.

iii. Specialized vessels:

During the year 2021-22, 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). The existing contract for Samudra Sarvekshak, which was valid till 31.03.2022, has been extended for further period of 6 months. The ongoing contract with ONGC for the vessel Samudra Prabha came to an end on 31.03.2022, which was thereafter extended by one month i.e. till 30.04.2022.

Your Company has also continued the Operation & Maintenance management (O&M) of ONGC owned Well Stimulation Vessel (WSV) "Samudra Nidhi" 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.

3.0 O&M of A&NA owned vessels:

In addition to Offshore operations, your Company operates domestic passenger and cargo transportation services between the Mainland and the A&N group of islands and inter-islands by managing 26 vessels owned by the Andaman and Nicobar Administration (A&NA). These comprise of 17 nos. Foreshore Passenger vessels, 7 inter-island vessels, 01 Mainland-island vessel and 01 cargo vessel.

O&M of UTLA owned vessels

Your company, on 02.02.2022, executed an agreement with Union Territories of Lakshadweep Administration (UTLA) towards Operation and Management (O&M) of their entire fleet of vessels. This includes 05 Passenger vessels, 06 High Speed Passenger Crafts, 03 POL vessels, 02 Cargo vessels and 02 Harbour Tugs. Subsequently, your Company was requested for taking over of 03 more cargo vessels owned by UTLA, thus making a total of 21 vessels to be managed by your company for UTL Administration. As on 31.03.2022, 09 vessels of the UTL Administration were already taken over by your company and the remaining are being taken over in a phased manner.

O&M of other organizations

Your company also manages Oceanographic and Coastal Research vessels on behalf of Government agencies/ departments viz; three vessels owned by Geological Survey of India (GSI) under Ministry of Mines and four vessels of Ministry of Earth Science. The vessels of Ministry of Earth Science comprises of one vessel of National Centre for Polar & Ocean Research (NCPOR), one vessel of Centre of Marine Living Resources and Ecology (CMLRE) and two vessels of National Institute of Technology (NIOT).

Manned and Managed vessels

The following table shows the profile of Passenger vessels, cargo vessels and other vessels of various Government departments managed by your company:

| Type of Ships | As on 31.03.2022 | | | Additions Nos. | Scrap / Redelivered (Nos.) | As on 31.03.2021 | | |
|---------------|---------------------------|---------|-----------------|----------------|----------------------------|---------------------------|---------|-----------------|
| | Nos. | Pax Cap | Cargo Cap. (MT) | | | Nos. | Pax Cap | Cargo Cap. (MT) |
| Pax-Cum-Cargo | 10 | 6263 | 4370 | 3 | 2 | 11 | 5067 | 3740 |
| Cargo ships | 1 | | 400 | 2 | - | 3 | - | 2000 |
| POL Ships | - | - | - | 3 | - | 3 | - | 910 |
| Tug | - | - | - | 1 | - | 1 | - | - |
| Other Vessels | 17 Foreshore & 8 Research | 1601 | 250 | 0 | 1 | 17 Foreshore & 8 Research | 1601 | 250 |

| Type of Ships | As on 31.03.2022 | | | Additions Nos. | Scrap / Redelivered (Nos.) | As on 31.03.2021 | | |
|---------------|------------------|---------|-----------------|----------------|----------------------------|------------------|---------|-----------------|
| | Nos. | Pax Cap | Cargo Cap. (MT) | | | Nos. | Pax Cap | Cargo Cap. (MT) |
| Total | 36 | 7864 | 5020 | 9 | 3 | 42 | 6668 | 6900 |

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. The contract for one of the vessel has been completed successfully in Dec'2021 and the vessel has been deployed on its next charter i.e. with Indian Navy. The contract for 2nd vessel is valid till Jul'2022. Discussions are ongoing with DRDO for entering into long term contract for their projects.

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 assisting in its new Deep Submergence Rescue Vehicle (DSRV) project. Your company is proud to have been associated & assisted the Indian Navy in conducting their trials on the West coast & East coast of India.

Technical Services

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 and other Government Departments for their various ship acquisition projects. During the year, your Company assisted A&N Administration in construction supervision of 2nd 500 Passenger-cum-cargo vessel, "m.v.Nalanda", which after successful sea trials in March 2022 was scheduled to be delivered to the Administration by end Jun'2022. The 2nd 1200 PAX vessel out of series of 2 nos. 1200 PAX vessel at M/s CSL, is scheduled to be launched in Jul'2022. The 2 nos. 2000 LPG cylinder carriers under construction at M/s Goa Shipyard Ltd. are scheduled to be delivered to UTL Administration in Oct'2022 and Dec'2022 respectively.

In 2021-22, technical consultancy was continued to M/s Cochin Shipyard Ltd. (CSL) for acquisition of secondhand floating dry-dock to be deployed at Indira Dock in Mumbai Port Trust (MbPT).

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, small size Container carriers, Gas Carriers and Offshore vessels. Out of the above, your Company floated global tender for acquisition of upto 2 nos. of VLGC size LPG carrier(s) of about 12-16 years old, technical evaluation of which is in progress and has also floated a domestic tender for acquisition of upto 10 year old resale/secondhand OSV, which is in the final stage of process. If the ordered vessels meet the technical & commercial requirements, the vessel(s) are planned to be acquired during the next financial year i.e. FY 2022-23. Acquisition of vessels in other segments were kept on hold considering the market dynamics and fund position. Informatively, your company has been continuously scanning the market for right assets in the market in relation to the available employment opportunities and is optimistic about acquisition of vessels at the opportune time.

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 oil consumption data from 01st Jan'2019. 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. Installation of Ballast Water Treatment plants on new ships and in phased manner on existing vessels, availability of Inventory of Hazardous Materials on most of its ships, usage of TBT free paints, replacing conventional lights on all ships with LED lights, etc are some of the measures showing your company's commitment to Eco-friendly policies and conservation of energy. Installation of Ballast Water treatment plants have been completed on few of the vessels.

The IMO has introduced Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations as part of its interim measure under the Green House Gas strategy. The EEXI calculations are being done in-house by your company and the EEXI technical files have been compiled and submitted to the Classification Society for approval. The regulations would be applicable by the 1st Annual, Intermediate or renewal IAPP survey falling due on or after 01.01.2023.

For compliance with aforesaid regulation as far as Carbon Intensity Indicator (CII) is concerned as an operational measure to reduce emissions, SCI is exploring various types of Energy Saving Devices (ESDs) low resistance anti-fouling paints, alternate fuels for main and auxiliary machinery, wind assisted propulsion etc with an objective to achieve continuous improvement in ship's operational CII.

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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. Your company is continuously trying to identify and implement emission reduction technologies and best practices.

Your company has taken the initiative to upgrade its offshore vessels from UKOOA 'C' compliant to UKOOA 'B' compliant as per UKOOA ERRV guidelines. As per Emergency Response Rescue Vehicle (ERRV) Group 'B' guidelines vessels are to be equipped with two Fast Rescue Crafts with Inboard Diesel Engines of capacity of 15 persons each. After the up gradation, offshore vessels of your company will be capable of rescuing persons from water, providing medical aid, place of safety for workers and on scene co-ordination in the event of emergency on offshore installations.

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

To take of the Cyber related risk, SCI has developed "Cyber Risk Management Policy" in line with the IMO regulations, so as to build capabilities to prevent, mitigate and respond to cyber risks, to reduce vulnerabilities and minimize damage from cyber incidents and protect information systems of SCI.

For the (2 firm + 1 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. over and above rule requirement for such size of vessels which reflects your company's commitment environment protection and 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 comfort and operational efficiency.

Situation in Coastal operation and Offshore areas

The onset of the second wave of covid-19 pandemic at the beginning of the year 2021-22 again brought with it uncertainties of vessel employment and reduced opportunities. Thereafter while the pandemic situation has improved, the overall offshore market has remained subdued with limited opportunities in the spot market.

Further there has been shortage of availability of yards on the Indian coast for dry-docking and repairs of offshore vessels. These are only limited yards present and various difficulties are being faced in availability of dry-dock slots as per vessel requirement. This in turn leads to delay in on hiring of vessels with the charterers.

The spares supply from OEM located overseas are delayed due to logistics issues caused by the pandemic. The delivery of spares is also getting delayed due to airlines not having fully resumed cargo operations.

Measures taken to improve services and operations

The covid-19 global pandemic and the related restrictions that it brought along had an impact on UKOOA B up gradation projects that were being undertaken in two of 120 AHTS to meet charter party requirement. However in spite several restrictions, the up gradation were completed by end of first quarter of year 2021-22 and vessels were handed over to ONGC for operations. The up gradation of crane on SCI Yamuna was carried out to meet Indian Navy long term charter contract.

One MPSV-SCI Sabarmati was released by DRDO after completion of charter hire period in 3rd quarter of 2021-22. Thereafter, the vessel's LSA and accommodation capacity is enhanced to meet charter party requirement by undertaking necessary modifications/up gradation with prior approvals from Class. The vessel is engaged by Indian Navy for their project of national importance on long term contract.

The Chemical code applicable to Offshore vessels came into force from 01.01.2021. The necessary up gradation is carried out on WSV Samudra Nidhi cargo, ventilation, bilge pumping systems etc to meet guidelines for transport and handling of limited amounts of hazardous and noxious substances in bulk on offshore vessels.

Awards and Accolades

WSV Samudra Nidhi – ONGC has conveyed their appreciation to your company for obtaining Certificate of Fitness by DNV for Carriage of Dangerous Chemicals in Bulk. This is the first certificate issued to Indian flag vessel.

Appreciations have also been received from high authorities of the Indian Navy for the excellent services provided by offshore vessels of your company. One of the comments received was: "A unique and highly specialized vessel which is an asset to the IN. We must strive to maintain, train and be ready to employ this vital lifesaving asset in IN's AOR. I urge the entire team to reach a high level of confidence. All assistance would be provided by WNC."

During the period under review, appreciation was also received from ONGC for two 120T AHTSVs of your company, for safe rig movement of rig DDB from PLQP location.

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 Lubers, 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 2021-22, your Company continues to support the Micro and Small scale Enterprises (MSEs) by procuring 48.27% 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 participated in the programs organized by the Ministry so as to make MSEs aware of the SCI's requirements. A Vendor Development Programme (VDP) was also arranged virtually during Dec'2021 which was attended by more than 150 representatives from vendors.

Your company dealt with all challenges posed by covid-19 pandemic effectively and efficiently and continued to maintain uninterrupted supply of stores and services to all vessels.

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 2021-22 commencing from 20.02.2021 has been negotiated by your Company. There was an increase of 3.66% in the renewal premium over the expiring premium for policy year 2020-21 due to hardening of insurance and reinsurance markets globally.

Developments, if any, of material nature affecting the financial position of the Company subsequent to the close of the said year viz; after 01.04.2022 till the preparation of the report.

After expiry of the contract with ONGC for O&M of vessel Samudra Prabha on 31.03.2022, the contract was extended by 1 more month and the vessel was re-delivered back to ONGC on 30.04.2022.

Subsequent to taking over of 9 vessels of UTL Administration by 31.03.2022, further 10 more vessels have been taken over. Thus in all, your company has now taken over O&M of 19 vessels and remaining 2 vessels will also be taken over shortly.

The O&M contract for ONGC owned MODU Sagar Vijay was valid till 30.06.2022. The contract was extended by few days and vessel was re-delivered back to ONGC on 04.07.2022.

The 2nd 500 PAX vessel for which your company was providing technical consultancy service to the A&N Administration was successfully delivered to the Administration on 05.07.2022 and inducted into SCI's fleet of managed vessels.

4. International Safety Management Cell

The SCI has introduced the Safety Management System by setting up a dedicated International Safety Management (ISM) Cell, which has developed, structured and documented procedures in compliance with the International Management Code for Safe Operation of Ships and for Pollution Prevention (ISM Code), in accordance with the resolution A.788(9) of the International Maritime Organization (IMO) and SOLAS, Chapter IX. The SCI has laid the foundation of the Safety Management System (SMS) by recognising that the cornerstone of good Safety Management is a commitment from the top management, coupled with the competence, attitude and motivation of individuals at all levels, that determines the expectations of a good Safety Management System. The SCI has complied with all the functional requirements of the ISM Code, which includes the Safety, Occupational Health & Environment Protection Policy and Drug & Alcohol Policy.

As regards, Safety Management Certificate (SMC) for SCI fleet, all ships are put up for periodical/ renewal SMC audits within time frame and respective SMCs are accordingly endorsed. The requirements of various amendments to ISM Code and Statutory regulations from IMO/Flag are also complied with.

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

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

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)

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- 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 scope of IMS Certification includes owning managing and chartering of ships for transportation of goods and passengers, offshore and Marine Advisory services and Maritime Training services.

The required certification is valid till 20th December 2024.

5. PERSONNEL AND ADMINISTRATION

A) FLEET PERSONNEL

There is an acute shortage of senior Floating Staff officers, especially in the ranks of Masters & Chief Engineer Officers (CEO) as well as Chief Officer and Second Engineer (2EO) for Matrix requirement. 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 in the Main Fleet and Offshore Sector in 2021/2022. The Fleet Personnel Department is also trying to manage shortage with early promotion of Class -1 and Class-2 COC holders in non- matrix / coastal tanker and bulk carriers with management approval. However, the shortage also continues due to Indian taxation implications and demand in the Global Shipping Market.

To ensure an uninterrupted supply of officers, Deck Cadets and Trainee Marine Engineers, on completion of their shipboard training and subsequent to their obtaining the certificate of competency, are being offered employment on Contract and terms of INSA-MUI Agreement.

Due to the Pandemic two-day Shipboard Orientation Workshop could not be organized. The workshop enhances the quality of our seafarers and their level of awareness of the continuous evolving shipboard developments. Superintendents from ISM Cell, BNT Vetting and Fleet Personnel Department conduct the workshop. This initiative will help us to grow as a knowledge-based learning Company. We endeavor to start the workshop physically as the Covid situation improves further.

Though there were instances of Covid infection on board which was handled promptly, however, in spite of the best efforts, there were 05 deaths due to Covid either on board or in hospital

B) MARITIME TRAINING INSTITUTE

Your company's Maritime Training Institute (MTI) at Powai has successfully conducted all DGS approved STCW courses in the year 2021-22. Presently, 3 batches of Diploma in Nautical Sciences (DNS) and one batch of Graduate Marine Engineering (GME) course are underway at Powai campus. Two batches of DNS course and one batch of Electro Technical Officer (ETO) course have successfully completed at MTI in April 2021, which slightly got delayed due to lockdown and ongoing pandemic condition.

SCI-MTI suspended all the courses (pre-sea, competency and modular) as per instructions issued by Government of Maharashtra, Directorate General of Shipping (DGS) Order 32 of 2021 dated 22.10.2021. All residential pre-sea training courses were started with 100% capacity in MTI campus whereas modular courses and post-sea courses were still on online mode with practical at 50% capacity of total strength of each course. It was ensured that both doses of COVID-19 vaccination were taken by candidates attending MTI campus. Cadets were issued a travel advisory with precautions to be taken during journey and on safe arrival at MTI. Further by DGS order 12 of 2022 dated 29.03.2022, MTI started with 100% physical lectures and 100% capacity for practical exercise with the strict compliance of SOP for COVID from 31.03.2022.

Regular Technical Seminars for Non-Technical Officers, Guest lectures, seminars, and professional development programs have been conducted for all ranks of officers, petty officers, ratings and shore officers through online platforms to enhance their competence and build a sense of belonging towards the company. The STCW course has conducted through three tier approach – Completion of E-Learning module (on DGS website), satisfactory completion of relevant course at approved MTIs through online classes & practical training under controlled condition, and Exit Exam conducted by DGS.

Your Company's Training Centre - Maritime Training Institute at Powai, Mumbai has been assigned GRADE A1 (Outstanding) rating by DNV-GL during the last inspection as per the Comprehensive Inspection Programme (CIP) Guidelines of the Director General of Shipping (DGS). CIP audit for the current financial year is due and will be carried out in July 2022 by DNV-GL. The Institute has significantly improved in the external examinations conducted by Indian Maritime University (IMU).

In view of recent increase in the COVID-19 cases in Mumbai since mid of February 2021, SCI-MTI has already taken preventive measures to mitigate the risk of COVID-19 spread. Employees are working at 100% strength in line with instructions from Govt. of Maharashtra and SCI Management. Students inside the campus (reporting for practical training) are accommodated in single occupancy rooms during quarantine period and checked for strict compliance of COVID SOP.

Your Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has conducted 211 Courses for 2867 participants in FY 2021-22 and the total man-days of training during this year are 87072 These included 64913 man-days for SCI's personnel and 22159 man-days for personnel from other companies.

Details of presidential directives issued by Central Govt. and their compliance during the year and in last three years.

- SCI has fully complied with the requirements of Directorate General of Shipping pertaining to conduct courses and has also complied with the Indian Maritime University guidelines.
- SCI had actively participated 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 Swachhta Pakhwada from 1st to 15th Nov.2021 and organized various cleaning drives. The cadets contribute 2 hours every Sunday in the upkeep of MTI Hostel and Garden area making MTI more green and beautiful.

Information towards major achievement during the year under review i.e. FY 2021-22 Academic Achievements

SCI-MTI has successfully started following new courses from DG Shipping in the year 2021-22:

- Passenger Ship Crisis Management
 - Advance Training for Oil Tanker Cargo Operations (TASCO)
 - Refresher Training in Proficiency in Survival Craft and Rescue Boats (Ref. P.S.C.R.B.)
 - Crisis Management and Human Behaviour course
- B. Pass Percentage of SCI-MTI for DNS batches 57 & 58 was 93% in December 2021 examinations where the practical training and examinations were completed in phase-wise manner in January, 2022.
- C. SCI-MTI proactively and safely sent the residential cadets of pre-sea courses to their respective homes prior to announcement of 2nd lockdown during April, 2021. The students of DNS 59 & 60 batch were called for collection of their books, uniforms so that they have study material for online studies and home revision. Regular communication was done with the students to ensure their well-being and continuation of their training through online platform and physical.
- D. SCI-MTI successfully completed practical training of all cadets of DNS 54, 55 & 56 batches at MTI in phase-wise manner with utmost safety and compliance to stringent guidelines of Government of Maharashtra, Indian Maritime University and Directorate General of Shipping without having any COVID-19 case in the campus among the students. Regular courses were started in September 2021.
- E. SCI-MTI for the first time ever selected the 09th batch of Graduate Marine Engineering (GME) course through its completely online admission process where applications submission, document verification and personal interviews were conducted online and with full transparency. Now GME 10th course will commence from 4.7.2022. IMU end semester examination of DNS batch 57 & 58 were completed during April-May 2022.
- F. SCI-MTI continued to receive the highest ever applications (per vacant seat) in our admission process for August 2021 (DNS-59 & 60) batch of Diploma in Nautical Science (DNS) course. Approximately 25 applications for one vacant seat were received.

Non-Academic Achievements:

- G. 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. Classrooms in MTI have also been added to the CCTV surveillance.
- H. SCI-MTI is utilizing the in-campus natural waste (leaves etc) to create manure and Lake/Well Water for gardening work in MTI campus, thus realizing Government of India and SCI's vision of self-sustainability.
- I. SCI-MTI continued to save around 30% on the monthly expenditure toward electricity consumption with support of its solar power plant of 0.5 MW capacity, which is operational since December' 2017.
- J. SCI-MTI has significantly improved its tendering process by following online tendering for all tenders and contracts at MTI. Procurement from Government e-Marketplace (GeM) portal has been exercised wherever possible. Proudly, SCI-MTI has reduced the annual financial implications of many major tenders/contracts of the Institute, including catering contract, uniform contract, civil contracts etc.
- K. Many assignments of structural renovation and repairs have been carried out at SCI-MTI during the lockdown period. The accommodation facility at MTI has been strengthened from existing 240 beds to 300 beds to meet projected accommodation requirement in view of commencement of post-sea courses at MTI. No.5 Hostel with 36 beds capacity were made competency students.
- L. Plantation of around 100 new trees in MTI Campus.
- M. Session by Ex-DGS Mr. Shetty for prevention of corruption in International Maritime industry.
- N. Installation of Centralized attendance system for Faculty and course participants.

Other Initiatives:

Institute's course booking office has become completely online where candidates can enquire and book courses online. The course fee is accepted only in online mode. No cash is collected from course participants. Classes are now conducted through physical mode i.e. in classrooms whereas certificates are issued digitally in line with DGS guidelines.

DIRECTORS' REPORT

C. SHORE PERSONNEL

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

The total Manpower as on 01.05.2022 is 540 (excluding Board Level members), out of which 490 are officers and 50 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 2021-22. .

Training and Employee Engagement Activities of 2021-22:

Organizing proper training and development sessions holds an enormous value as it keeps the employees motivated, encourages them to utilize their skills in a better way and facilitates career development. To implement this we pooled in the stalwarts of SCI and nominated our employees to external training from industry experts to enhance the knowledge of the employees. The various trainings imparted to the employees during the year were majorly towards Skill Development, Specialized courses in Domain and other areas, compliance related trainings, session towards Wellness, Stress & well-being and towards Art of living were also organized.

External trainings also involved DPE Trainings on the Topics - Implementation of International Financial Reporting Standards (IFRS)/Ind-AS in CPSEs, Public Procurement/GeM and Contract Management/ Arbitration in CPSEs, building competencies for Personal Excellence of executives of CPSE., implementation of Corporate Governance Framework for enhancing performance of CPSEs. HR related Issues like RTI Act, Establishment Rules, Review under FR(56), Enquiry & Disciplinary Proceedings, Vigilance, Aatma Nirbhar Bharat identification of Sector specific opportunities for CPSEs , session on Cyber Security, Women Empowerment in CPSEs.

To recognize and award the employees who performed admirably well during these challenging times of the ongoing Pandemic Covid-19, both on-board vessels and ashore, a COVID Warrior Award scheme was launched in the year 2020-21 which was continued in the 2021-22 also. These awards were dedicated to the employees who performed exceptionally by remaining committed and dedicated to their profession, who truly rose to the occasion and made significant contributions, in some cases even beyond their normal scope of work towards ensuring unhindered operations, support services and timely compliance(s).

A Valediction function was organized on the occasion of SCI's Diamond Jubilee. The occasion was graced by Hon'ble Minister for Ports, Shipping and Waterways and Ministry of Ayush, Shri Sarbananda Sonowal as Chief Guest, Hon'ble Minister of State for Ports, Shipping & Waterways, Shri Shantanu Thakur as Guest of Honour, Hon'ble MP Shri Manoj Kotak and Shri Rajiv Jalota, Chairman MBPT.

Hon'ble Minister Shri Sarbananda Sonowal Ji in his address acknowledged the key role played by SCI of "Transformation through Transportation" in Nation's progress & commended the women power in SCI and the Aatma Nirbhar spirit exhibited in successfully managing the event.

As a step towards Safety & well-being, free onsite vaccination camps were organized at SCI HO. A total of 2481 people have been vaccinated through SCIs continued service to humanity.

5 days of Diwali festivities was observed at SCI, wherein Maa Lakshmi & Lord Dhanvantari(God of medicines) were worshipped on Dhanteras. On this auspicious day, traditional Puja was performed in SCI for divine blessings of well-being & welfare of all.

On the eve of Diwali, a customary get together was organised at SCI HO, wherein CMD addressed the SCians and called on to stay positive and continue momentum of performance excellence for bright and prosperous future. Other activities like Swachhta Pakhwada and Vigilance Awareness Week were also observed.

Steps taken by SCI to combat Covid-19 Pandemic:

With the onset of the worldwide Pandemic COVID-19, SCI has been very proactive and has introduced all the precautionary measures to safeguard the wellbeing of its employees. SCI has issued various advisories time to time to employees regarding washing hands, avoiding personal travels, limiting the entry of visitors into the building. Sanitizers were installed in the Head Office and the branch offices, practice of checking temperature of employees while entering the work area was started. Various Circulars pertaining to work from office premises and work from home along with observance of various Covid hygiene guidelines have been issued in line with Government guidelines issued from time to time. Intimation about one's health in form of COVID Declaration form was made mandatory for all employees who attend office on any given day in order to analyze the health condition of the employees by the respective Head of the Departments. With a view to facilitate employees to commute during peak hours the flexi timing was extended. Onsite vaccination camps were organized for employees and their families. A total of 2515 vaccines were given to eligible individuals during the onsite vaccination camps. N95 Face Masks were distributed to employees for maintaining covid protocols while in office.

Reservation Policy

All the guidelines issued by the Government regarding Reservation from time to time are followed in Recruitments and Promotions.

SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 1st January 2022 and number of appointments made during the preceding calendar year:

| Groups | Representation of SCs/STs/OBCs as on 01.01.2022 | | | | Number of appointments made during the calendar year 2021 | | | | | | | | |
|---|---|-----|-----|------|---|-----|-----|------|---------------|-----|-----|------|---|
| | Total Number of Employees | SCs | STs | OBCs | By Direct Recruitment | | | | By Absorption | | | | |
| | | | | | Total | SCs | STs | OBCs | Total | SCs | STs | OBCs | |
| Executive Group A | 500 | 106 | 45 | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Executives Group B | 39 | 11 | 4 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Group C | 15 | 5 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Group D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total (Executives in Group A and Non Executives) | 554 | 122 | 50 | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

e) Women Representation:

Company is committed to the principle of equal employment opportunity and strives to provide employees with a workplace 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 20.85% of total workforce at shore establishments of your company. As an effort to boost the morale of women seafarers, Company felicitated all Women Seafarers onboard SCI Tanker Swarna Ganga, as prelude to International Women's Day, 2022. Thus, acknowledging their professional contribution to Shipping and encouraging them to excel further. During a phygital event organized at SCI HO, Smt. Archana Ramasundaram – Hon'ble Member, Lokpal of India, Former IPS Officer and first women to head the paramilitary force Services Selection Board (SSB) interacted with SCians and highly praised and lauded the women centric work culture at SCI.

f) Policy to prevent sexual harassment at workplace:

The Company promotes gender equality and has been taking proactive measures to prevent any Sexual Harassment at workplace. The 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. No complaints were received in the year 2021-22.

g) 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, 2021 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/csrpage/overview.

The budget available for CSR initiatives in the year 2021-22, as per applicable provisions was Rs. 6.05 Crores. Against the available budget, your company allocated Rs. 6.05 Crores against the following initiatives in the year 2021-22:

1. Health & Nutrition –

- Support to 60 children infected and affected with HIV/AIDS residing at institutional care centres in Mumbai with "supplementary nutrition kits" to improve the immunity levels of the kids for further survival.
- Supporting underprivileged Cancer patients for surgeries at Bhaktivedanta Hospital, Mira Road, Thane.
- Support to 250 newly borne for treatment of clubfeet. Under this project treatment facility is provided to 250 children born with clubfoot through clinics developed at 12 different government hospitals in Maharashtra and NCR. The Ponseti Method (Non - surgical) performed by the doctors in these clinics comprises of three phases including manipulation and casting, tenotomy (minor surgery) followed by a three week long plaster casting. Thereafter a scientifically developed foot abduction brace (FAB) is used to keep the foot in the corrective position to control relapse. The brace has to be worn by the children for four to five years and is changed frequently along with the growth of the feet. 8 to 10 braces are given on an average to every child during this five year follow up.
- Nutritional support to address the issue of Malnutrition. 1500 government school children are supported through supply of free milk & milk products by a network of milk producer organizations (dairy cooperatives and producer companies) to help reduce malnutrition in association with National Dairy Development Board (NDDB) - Foundation for Nutrition (NFN) in Gadchiroli district of Maharashtra.

2. Promotion of Education & Skill Development

- Award of Annual Grants 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 Maritime

DIRECTORS' REPORT

Education in the country.

- b. Support for setting up 10 smart classrooms at municipal schools under Thane Municipal Corporation in association with Society for NEED.
- c. Skill Development training of 360 underprivileged women in apparel sector & other technical fields in association with Regional Centre for Entrepreneurship Development (RCED) at aspirational districts in Maharashtra. SCI has associated with Regional Centre for Entrepreneurship Development (RCED) for providing Skill Development training to 360 underprivileged women in apparel sector and other technical fields. The project has been implemented in Gadchiroli, aspirational districts in Maharashtra. The project aims to provide skill development training to 360 women to make them capable and self-dependent through proper technical training in the field of traditional and technical occupations.
- d. Setting up 35 KW Solar Plant at New Vrudhashram (162 bedded Old Age Home), managed by Tara Sansthan at Udaipur, Rajasthan.

3. Health Care including Covid-19 Related Measures:

- a. Support to District Hospital Washim with 2 Neo Natal Ventilators and One Cardiac Ambulance.
- b. Support to AIMS Bhubaneswar with 3 ventilators, 500 PPE-Kits, 500 sterile PPE Kits & 500 surgeon gowns.
- c. Setting up One centralized Oxygen Plant of 150LPM capacity at Community Health Centre (CHC), Punhana block, District-Nuh (Mewat), Haryana.
- d. As part of COVID relief measures, 5 vaccination camps were organized at SCI HO. A total of 2744 people (general public, seafarers and marine fraternity) were vaccinated through SCI initiative.
- e. Support to Panvel Gurudwara for carrying out Covid relief activities.
- f. Support to Thane Municipal Corporation with sanitizing vending machines, thermal guns etc.
- g. Organized 24 Medical Health Camps for identification/ awareness of Tuberculosis and other general diseases like Diabetes & Blood Pressure among the poor & vulnerable in 6 districts of Maharashtra viz. Sindhudurg, Gondia, Kholapur, Nasik, Ahmednagar and Dhule in association with Delhi Competitive & Vocational Society (DCVS).
- h. Support of an Ambulance was extended to Aizawl Football Club to provide encouragement and confidence to the trainees while undergoing trainings, as sometimes injuries of serious nature occurs while training and requires immediate treatment in the hospitals.

4. Environment Sustainability

- a) Project for Urban Plantation/ Forestation” by Teamwork Welfare Foundation for plantation of 6000 plants through Miyawaki Technology in an area of approximately 2000 square meter under Delhi/NCR.

Against the allocation of Rs. 6.05 crores, Rs. 3.98 Crores have already been disbursed and balance will be disbursed on achievement/ completion of project specific timelines.

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.

Implementation of Official Language Policy

In accordance with the Official Language policy of the Union Government, your company reiterated its commitment and made consistent efforts towards the progressive use of Hindi in its day-to-day affairs during the year under report. Keeping in view of the prevailing COVID-19 situation, your Company conducted Hindi activities and competitions online/through email at regular intervals and awarded prizes to the winners. Apart from this, your company also arranged Hindi typing and translation training programme to its officers online/offline.

An online session in Hindi-English on “Self-Management to Make Self-Force Resilient for Empowerment during Adverse Times” was held by Guest Speaker, Sister B. K. Shivani, as a part of the DIAMOND JUBILEE YEAR celebrations of SCI.

Under the Hindi Incentive Scheme, children of 14 employees were encouraged by giving incentive prizes for scoring 70% and above marks in Hindi subject in SSC and HSC level exams held in the academic year 2020-21.

In order to create a sense of competition amongst all Divisions/Departments and individual officers for increasing the use of Hindi in daily correspondence and activities, the Annual Rajbhasha Shield (at Divisional Level) and Annual Rajbhasha Gaurav Sammaan (at Individual Level) schemes were continued for 2021-22 after necessary modifications. However, for the year 2021-22, the “Annual Rajbhasha Shield” was awarded to Bulk Carriers & Tankers Division, and “Annual Rajbhasha Gaurav Sammaan” was awarded to three officers on the basis of their Hindi performance. Besides this, twelve employees from various divisions were given Certificates and dictionaries. All these initiatives have culminated in very conducive environment for progressive use of Hindi in daily office routine work.

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 Ports, Shipping and Waterways (MoPSW) and Department of Public Enterprises (DPE), from time to time, which form the remuneration policy of your company.

Right to Information Act 2005 (RTI 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/rtipage/rti-act-2005> and updated the same from time to time as per the guidelines received from concerned authority. Shri S.R. Bandekar GM (B&T) was the Public Information Officer (PIO) for the year 2021-22, to deal with queries received from the Indian Citizens under RTI. Presently as on date, Mrs. Soma Tandon, Deputy General Manager has been appointed as Public Information Officer for RTI.

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 31.03.2022, your Company has disposed off most of the applications and appeals received from the parties.

6. 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. SCL Board during its Board meeting held on 18.03.2021 accepted the resignation of Smt. Sangeeta Sharma, Director (L&PS), SCI, as Director, SCL from the Company. Further, SCL requested SCI to nominate new Director on SCL Board, in place of Smt Sangeeta Sharma who has been retired on superannuation.

7. Memorandum of Understanding (MOU) with the Ministry of Ports, Shipping & Waterways

The MOU for the financial year 2022-23 is under progress. The MOU is being processed as per the consolidated guidelines issued by Department of Public Enterprise (DPE) vide circular dated 10th March 2022. Under the new guidelines, entering, signing, monitoring and evaluation of MOU will be done through online dashboard. SCI rating for 2019-20 is Excellent. SCI's Composite score for the year 2020-21 has been evaluated by the DPE.

MOU performance evaluation data for financial year 2021-22 on the basis of Audited accounts will be submitted to DPE through online dashboard after the approval of the Board and through the Administrative Ministry by 31st October 2022.

Compliance to some of the MOU Parameters are mentioned below

a) Ship Availability as a percentage of Total Ships

The Planned Ship Availability (Total days of the year less quoted days for planned repair and dry dock) for 59 ships for 2021-22 was 20576 days. The Ships were available (Total days of the year less Actual repair and dry dock days) for 18960 days which is 92.18 % to the planned Ship Available days.

b) Revenue from Exports

Earnings of SCI from Export Revenue as per the GST Returns filed for the FY 2021-22 amounts to INR 1,51,814 Lakhs (previous year INR 1,00,091 Lakhs). Basis the above, export earnings as a percentage of Revenue from Operations for the FY 2021-22 stands at 30.39% (previous year 27.03%).

c) Compliance parameters not verifiable from any outside sources

- i. Parameters on DPE guidelines on select matters (i) Pay Revision guidelines and review of profitability of CPSEs for pay revision (ii) Expenditure Management Economy Measures and Rationalisation of Expenditure (iii) Guidelines on Accessible India Campaign (Sugamya Bharat Abhiyan) (iv) Guidelines on implementation of the Apprenticeship Act, 1961 (v) Guidelines issued from time to time on CSR expenditure by CPSEs has been complied with.
- ii. Target as given by DIPAM / NITI Aayog w.r.t. (i). Dividend Payout, (ii) Assets Monetization Milestones and (iii) Specific disinvestment Milestones have been complied with.
- iii. Parameters w.r.t. steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs has been complied with

8. Utilization of FPO Proceeds

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

DIRECTORS' REPORT

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 crs, an amount of Rs. 196.80 crs has been utilised till date as under –

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

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

9. 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 2021, which is forming part of the Annual Accounts.

10. 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 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 Auditor 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.

11. Dividend Distribution Policy

As per the guidelines dated 27.5.2016 issued by Department of Investment and Public Asset Management (DIPAM), MOF, GOI in respect of dividend, bonus shares, etc. the Company has an obligation to comply with these guidelines. However, the company shall take in to consideration and be guided by the provisions of the Companies Act 2013, Companies (Declaration and Payment of Dividend) Rules, 2014 and Guidance Note on Dividend & Secretarial Standard 3 (SS3) for taking necessary action appropriate and deemed fit in the circumstances.

12. Role of Vigilance Division in SCI

SCI has a full-fledged Vigilance Division headed by Chief Vigilance Officer. The Division operates as per the guidelines of the Central Vigilance Commission for Vigilance management in Public Sector Enterprises and is guided further by the instructions issued by the Ministry of Ports, Shipping and Waterways from time to time. During the year under review, the Chief Vigilance Officer put in place preventive vigilance initiatives in the business processes thereby striving towards greater transparency and improved ethical & corporate governance standards. There was concerted effort to achieve greater transparency and eliminate systemic weaknesses through use of technology in business processes such as e-payments, Supplier Relationship Management, bill tracking and online dissemination of important circulars/guidelines. Further there was provision for online registration of complaints via the Vigilance Webpage contained in the SCI website. Vigilance Division propagated 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 interacted with various employees of SCI as well as various stake holders which has helped in understanding the issues from their perspective as well.

12. Activities of the Vigilance Division carried out in 2021-22

During the year under review, the Vigilance Division carried out the activities under Preventive, Punitive and Participative Vigilance. The important activities carried out in 2021-22 by the Vigilance Division were as follows:

- A. Complaints were handled as per complaint handling policies stipulated in Vigilance Manual issued by the Central Vigilance Commission. 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.
- H. Vigilance Division has developed a specific vigilance related training module which forms a part of Management Development Programme for various levels of executives. 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 organization.
- I. An interactive workshop on 27.10.2021 was organized for the empaneled IOs/POs on the topic "Role and functions of the Inquiry Officer and Presenting Officer" by an external speaker.
- J. 13th Edition of the annual Vigilance newsletter "SCI Voyager-2021" was published on the occasion of inauguration of Vigilance Awareness Week 2021.
- K. A "Compendium of Vigilance Circulars" with special emphasis on PIPDI was released during the inaugural function of Vigilance Awareness Week – 2021.
- L. To commemorate the 60 years of SCI, a special edition magazine "Vigilance in SCI @ 60 years" showcasing past Vigilance activities, was released during valedictory function of Vigilance Awareness Week 2021.
- M. For the annual Vigilance Awareness Programme, in-house programmes were held to spread Vigilance Awareness among employees and their families.
- N. SCI organized various outreach activities in schools and college for creating awareness about corruption and existing mechanism available for combating corruption. Poster making competition, Slogan writing competition and In-person elocution competition was organized at various Kendriya Vidyalayas. Poster and Slogan writing competition was organized at a College in Navi Mumbai. Regional Office, New Delhi also conducted slogan writing competition at Kendriya Vidyalaya.
- O. In order to spread the awareness about Vigilance machinery among people, an awareness campaign was organized via FM Radio, wherein jingles related to the Vigilance functions and VAW-2021 theme were aired throughout the Vigilance Awareness Week.
- P. Awareness campaign was conducted on-board SCI ships for generating awareness about Vigilance amongst seafarers. The Integrity pledge was also administered onboard the ships and banners were displayed.

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. 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 Mumbai chapter of VSC during the FY 2021 – 22:

- A. A one and half day training program for the member CVOs of VSC, Mumbai and their senior officers on the Securities markets to equip the Vigilance fraternity towards effective corporate governance was conducted by the National Institute of Securities Markets (NISM).
- B. A training session on 'Financial frauds and Cybercrime' was organized by VSC – Mumbai in collaboration with E & Y India in September 2021.
- C. In view of the incorporation of a dedicated chapter on e-Vigilance (Chapter XII) by the Central Vigilance Commission (CVC) in the latest updated CVC Manual (updated 2021), a number of familiarization programs and knowledge sharing sessions on this topic were conducted by VSC – Mumbai for CVOs and Vigilance functionaries of its member organizations.
- D. A meeting of the member CVOs of VSC – Mumbai with Hon'ble Central Vigilance Commissioner, Shri. Suresh N Patel and other dignitaries from the Central Vigilance Commission was conducted at Mumbai in October 2021, wherein a number of vigilance related issues and roadmap for future activities were discussed.

DIRECTORS' REPORT

13. 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 materially from those expressed or implied.

14. Key Managerial Personnel

Shri Prabir Kumar Gangopadhyay was appointed by the Ministry of Ports, Shipping and Waterways as a whole Time Director (Personnel and Administration) w.e.f 07.09.2021.

Shri Dipankar Haldar has ceased to be the Company Secretary and Compliance Officer of the Company on 31.01.2022.

Further, the Board of Directors at their Meeting held on 31.01.2022 have appointed Smt Swapnita Vikas Yadav, a qualified Company Secretary bearing ACS Number – 64626 as the new Company Secretary and Compliance Officer of the Company with effect from 01.02.2022.

Shri Rajesh Sood, Director (Technical & Offshore Services) completed his tenure on the Board of the Company consequent to his superannuation on 30.04.2021.

Shri Vikram Dingley was appointed by the Ministry of Ports, Shipping and Waterways as Director (Technical & Offshore Services) w.e.f 19.05.2022.

Shri C.I Acharya was appointed by the Ministry of Ports, Shipping and Waterways as Director (Finance) w.e.f 13.06.2022.

Shri Lawrence Serrao ceased to be the Chief Financial Officer of the Company w.e.f 13.06.2022. Shri Subramanya Prakash is appointed as the Chief Financial Officer of the Company w.e.f 05.08.2022.

Smt H K Joshi, Chairperson and Managing Director of the Company completed her tenure on the Board of the Company consequent to her superannuation on 31.05.2022. Further, Shri Atul Ubale vide Ministry letter dated 27.05.2022 has been given the additional charge of the position of Chairperson and Managing Director of the Company w.e.f., 01.06.2022.

As on date Shri Atul Ubale, Director (B&T) holding Additional Charge of Chairman and Managing Director, Capt B.K. Tyagi Director (L&PS), Shri Prabir Kumar Gangopadhyay Director (P&A), Shri Vikram Dingley Director (T&OS), Shri C.I. Acharya Director (Finance). Smt Swapnita Vikas Yadav, Company Secretary are the Key Managerial Personnel of the Company.

15. 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.

16. 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 there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

17. Secretarial Standard

The Company complied with all the applicable Secretarial Standards.

18. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies appointment and Remuneration of Managerial personnel Rules, 2014 the Board had appointed Mr. Upendra Shukla, Practicing Company Secretary to conduct Secretarial Audit for the Financial Years 2020-2021 and 2021-2022. The Secretarial Audit report for the financial year 2021-22 is appended to the director's report

The Secretarial Auditor in his report for the year ended 31st March, 2022 has brought out that:

The Corporation has complied with the requirement of Corporate Governance as provided under regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) 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 April 1st 2021 to December 6th 2021. It was clarified by the Corporation that the matter was being pursued with the concerned Administrative Ministry i.e the Ministry of Ports, Shipping and Waterways, for appointment of required number of Independent Directors and one Woman Independent Director 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

concerned Administrative Ministry vide its letter dated 22/11/2021 had conveyed the appointments of 5 Non-Executive Independent Directors including one Woman Independent Director. Consequently, the Corporation is compliant with the provisions of Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – Composition of the Board of Directors with effect from 07.12.2021 till 31st March, 2022.

19. Auditors Report

The Statutory Auditors have given an unqualified report on the Financial Statement of the Company for the Financial Year 2021-22. Further, there are NIL Comment made by Comptroller an Auditor General of India on the Statement of Standalone and Consolidated Financial Statements for the year ended 31.03.2022.

20. 150th Report of the Committee of Papers Laid on the Table (COPLoT) presented in Rajya Sabha on 31 March 2017 -Para 24 of the COPLoT recommendations

Please find the following information with respect to Pending Audit Para:

Name of Audit Para: Para No. 9.2 of CAG Report No. 13 of 2019

Brief of the Para

Payment of Performance Related Pay in violation of DPE guidelines.

SCI paid an amount of Rs. 11.03 crore as Performance Related Pay to employees for the financial year 2014-15. C&AG however raised an observation that payment of Performance Related Pay of Rs. 11.03 crore for the year 2014 -15 was made in violation of DPE guidelines and that the non-core profits had not been deducted for calculation of PRP.

PRP of year 2014-15 was paid after approval of Nomination and Remuneration Committee. However, matter was again put up to Nomination and Remuneration Committee held on 04.02.2020 specifically to review the position with respect to C&AG observation.

SCI stand on C&AG observation is reiterated below:-

- a) Profit on sale of Vessels:** Scrapping of vessels is a normal activity in shipping and SCI follows a policy of scrapping at the end of the useful life of the vessel after a techno economic study is done on possible further extension of the life of the vessel. All activities starting from placing of an order building a ship till the end point of scrapping of the ship at the end of its useful life fall within the ambit of core business activity of a shipping company.
- b) Income (Compensation) received from rescindment of Contract:** Possibility of contract rescindment termination in any business is normal and cannot be ruled out. Hence, rescindment of contract needs to be considered within the purview of normal business activity. In our case compensation/ income received for rescindment of contract is nothing but is in nature of liquidated damages given by shipyard for their subpar performance and not completing the contract on time. Had the vessel been delivered in time SCI would have earned normal income from freight/charter hire.
- c) Interest on loans given to Joint Ventures:** Formation of Joint venture is a normal business activity. Loans given to Joint Venture Companies is part of well deliberated strategic planning by all JV partners and in line with the MOA. The Nomination & Remuneration Committee deliberated the matter in detail and concluded that all the above mentioned items are core activities of SCI.

Resolution of minutes of above agenda is placed below:

The Committee thereafter passed the following resolution:

RESOLVED That any business activity which is undertaken to sustain, promote, enhance or grow its primary business is to be considered as “Core Business Activity” of the Company

RESOLVED Further THAT income from rescindment of contract (liquidated damages), interest earned on loan exposure to the joint venture companies, profit on sale of ships constitute as income arising from core activity

Resolved Further that payments made by the company to the employees as Performance Related Pay for the FY 2014-15 based on the above notion, on which taxes have been paid by the employees and further in order to avoid complications arising on account of differential treatment afforded to the same class of employees whether serving or otherwise, should not be recovered

RESOLVED FURTHER THAT the Company may communicate the above decision of the Committee to the Ministry of Ports, Shipping and Waterways (MoPSW) for further action.

In view of instructions of the Nomination and Remuneration Committee, matter was put to The Ministry of Ports, Shipping and Waterways (MoPSW) on 27.07.2020 seeking guidance on the way forward considering the above resolution of the Nomination & Remuneration committee.

Thereafter, on 02.12.2021, letter was sent to MoPSW stating that considering the Strategic Disinvestment of SCI being in advanced stages, DIPAM had opined that the Administrative ministry should take necessary action to get all employee related liabilities pertaining to the period that the company is a CPSE cleared before the company's management control is transferred so as to safeguard the interest of the

DIRECTORS' REPORT

employees.

Reporting Status

It is understood that the matter regarding PRP for 2014-15 has been referred to COPU (Committee on Public Undertakings) by C&AG and the final outcome has not yet been informed to the Ministry.

21. Corporate Governance

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

22. 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.

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.

23. Acknowledgements

Your Directors extend their gratitude to Shri Sarbanada Sonowal, Honourable Minister of Ports, Waterways and Shipping, Shri Shripad Naik and Shri Shantanu Thakur, Hon'ble Ministers of State for Ports, Shipping and Waterways for their support and guidance in managing the affairs of the Company. Your Directors also extend their gratitude to Secretary (Shipping) Ministry of Port, Waterways and Shipping for guidance.

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

Place: Mumbai
Dated: 5/8/2022

For and on behalf of the Board of Directors
Shri Atul Ubale
CMD Addl. Charge & Director (B&T)

1. Brief outline on CSR Policy of the Company.

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, nutrition and other areas of social upliftment. The thrust of SCI CSR initiatives in 2021-22 were in the following broad areas:

- 1) Health & Nutrition
- 2) Promotion of Education & Skill Development
- 3) Health Care including Covid-19 Related Measures.
- 4) Environment Sustainability

2. Composition of CSR Committee during 31.03.2022

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--|---|--|--|
| 1 | Smt H. K. Joshi | Chairperson and Managing Director (Chairperson) | 4 | 4 |
| 2 | Shri Atul Ubale D(P&A) | Whole-time Director (Member) | 2 | 2 |
| 3. | Shri Rajesh Sood | Whole-time Director (Member) | 0 | 0 |
| 4 | Shri Pramod Kumar Panda | Independent Director (Member) | 3 | 3 |
| 5 | Shri Vijay Jadhao | Independent Director (Member) | 1 | 1 |
| 6 | Shri Prabir Kumar Gangopadhyay (P&A) | Whole-time Director (Member) | 2 | 2 |
| 7 | Capt. B K Tyagi (T&OS) | Whole-time Director (Member) | 3 | 3 |
| 8 | Dr. Anil Kumar Misra | Independent Director, (Member) | 1 | 1 |
| 9 | Shri Nageswara Pramod Chakravarthy Kalla | Independent Director (Member) | 1 | 1 |

- Shri Rajesh Sood ceased to be the Member of the Committee 30.04.2021 consequent to his Superannuation. The Ministry informed that Capt B K Tyagi Director (L&PS) will hold the Additional Charge of the post of Director (T&OS) w.e.f., 01.05.2021.
 - Shri Vijay Jadhao ceased to be the Member of the Committee w.e.f., 03.07.2022 consequent to completion of his tenure.
 - On appointment of Shri P.K. Gangopadhyay as Director (P&A) on 07.09.2021, Shri Atul Ubale, Director (B&T) ceased to hold the Additional Charge of Director (P&A) and subsequently ceased to be the member of the Committee.
 - The CSR Committee was reconstituted w.e.f., 17.12.2021 with Dr. Anil Kumar Misra and Shri. Nageswara Pramod Chakravarthy Kalla as the members of the Committee.
3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

Web-link

<http://www.shipindia.com/csr/csrpage/overview>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable in case of SCI.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial year (in Rs) | Amount required to be set-off for the financial year, of any (in Rs) |
|----------------|----------------|--|--|
| Not Applicable | | | |

6. Average net profit of the company as per section 135 (5).

Average net profit - Rs 302.48 crores

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7. (a) Two percent of average net profit of the company as per section 135 (5).
Rs 6.05 crores
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
Nil
- (c) Amount required to be set-off for the financial year
Nil.
- (d) Total obligation for the financial year (7a +7b – 7c)
Total CSR Obligation for FY 2020-21 – Rs 6.05 crores
8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs) | Amount Unspent (in Rs) | | | | |
|---|--|------------------|---|---------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of fund | Amount. | Date of transfer |
| 3,98,12,830.00 | 2,06,82,503.00 | 29.04.2022 | - | - | - |

- (b) Details of CSR amount spent against ongoing projects for the financial year:
(Tabular Response attached separately)
- (c) Details of CSR amount spent against other than ongoing projects for the financial year:
(Tabular Response attached separately)
- (d) Amount spent in Administrative Overheads
Nil.
- (e) Amount spent on Impact Assessment, if applicable.
Nil.
- (f) Total amount spent for the Financial Year
(8b + 8c + 8d + 8e) - Rs 3,98,12,830/-
- (g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in Rs) |
|---------|---|----------------|
| (i) | Two percent of the average net profit of the company as per section 135(5) | 6,04,95,333.00 |
| (ii) | Total amount spent for the Financial Year | 3,98,12,830.00 |
| (iii) | Excess amount spent for the financial year ((ii)-(i)) | Nil |
| (iv) | Surplus arising out of the CSR projects or projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years ((iii) - (iv)) | Nil |

- 9 (a) Details of Unspent CSR Amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.) | Amount Spent in the reporting Financial Year (In Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any | | | Amount remaining to be spent in succeeding financial years. (In Rs.) |
|---------|--------------------------|--|---|--|----------|------------|--|
| 1 | 2020-21 | 77,95,955 | 75,25,096 | PM Care | 5,66,636 | 30.09.2021 | 2,70,859 |
| 2 | 2019-20 | NIL | NIL | NA | NIL | NA | NIL |
| 3 | 2018-19 | NIL | NIL | | | | |
| | TOTAL | 77,95,955 | 75,25,096 | | | | |

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
(Tabular Response attached separately)

ANNUAL REPORT ON CSR ACTIVITIES 2021-2022

| SL No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Project duration | Amount allocated for the project (in Rs.). | Amount spent in the current financial year (in Rs.). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through implementing Agency | |
|--------|--|--|----------------------|--|---|------------------|--|--|---|--|---------------------|
| | | | | State | District | | | | | Name | Registration number |
| 1 | Covid19 Vaccination Camps | I | Yes | Maharashtra | Mumbai | 12 Months | 38,60,000 | 24,42,634 | Yes | NA | NA |
| 2 | Support to Thane Municipal Corporation with sanitizing vending machines, thermal guns etc | I | No | Maharashtra | Thane | 6 Months | 7,67,000 | 1,99,800 | No | Rotary Club of Thane Uptown | CSR00014711 |
| 3 | Project for conducting 24 Medical Camps in various districts of Maharashtra | I | No | Maharashtra | Sindhudurg, Gondia, Kholapur, Nasik, Ahermadnagar Dhule | 6 Months | 55,20,000 | 27,60,000 | No | Delhi Competitive & Vocational Society (DCVS) | CSR00009562 |
| 4 | Ambulance to Aizawl Football Club | I | No | Mizoram | Aizawl | 6 Months | 15,88,000 | 9,52,800 | No | Aizawl Football Club | CSR00016246 |
| 5 | Supporting underprivileged Cancer patients for surgeries at Bhaktivedanta Hospital, Mumbai | I | Yes | Maharashtra | Mumbai | 12 Months | 15,00,000 | 6,25,000 | No | Sri Chaitanya Seva Trust | CSR00001017 |
| 6 | Project to support 250 newly borne for treatment of clubfoots | I | Yes | Maharashtra | Mumbai | 6 Months | 25,00,000 | 12,50,000 | No | Cure International India Trust | CSR00001867 |
| 7 | Project to address the issue of Malnutrition through free milk to children | I | No | Maharashtra | Gadchiroli | 12 Months | 50,00,000 | 25,00,000 | No | National Dairy Development Board (NDDB) - Foundation for Nutrition (NFN) | CSR00004168 |
| 8 | Annual Grants for Maritime Education | II | Yes | Maharashtra / Tamil Nadu / West Bengal | Mumbai / Chennai / Kolkata | 12 Months | 30,40,000 | 6,65,000 | No | NA | NA |
| 9 | Support to Old Age Home Building for Solar Power Plant | II | No | Rajasthan | Udaipur | 12 Months | 13,00,000 | 5,20,000 | No | Tara Sansthan | CSR00003030 |
| 10 | Support to Panvel Gurudwara for carrying out Covid relief activities | I | No | Maharashtra | Panvel | 12 Months | 18,75,000 | - | No | Panvel Gurudwara | CSR00015067 |
| 11 | Procurement of Masks | I | Yes | Maharashtra | Mumbai | 12 Months | 1,80,000 | - | Yes | NA | NA |
| 12 | Project to support children infected & affected with HIV/AIDS | I | Yes | Maharashtra | Mumbai | 12 Months | 10,52,980 | - | No | Desire Society | CSR00002465 |
| 13 | Project for Urban Forestation | IV | No | Delhi | Delhi/NCR | 60 Months | 44,19,424 | - | No | Teamwork Welfare Foundation, Bhopal | CSR00009185 |
| | Total | | | | | | 3,26,02,404 | 1,19,15,234 | | | |

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(10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

| SN | Date of creation or acquisition of the capital asset(s) | Amount of CSR spent for creation or acquisition of capital assets. | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Provide details of capital assets(s) created or acquired (including complete address and location of the capital asset). |
|----|---|--|---|--|
| 1 | 12.02.2022 | 86,80,620 | District Hospital, Washim | 2 NeoNatal Ventilators and One Cardiac Ambulance to District Hospital Washim, near Akola Naka Washim Tq., District Washim-444505, Maharashtra. |
| 2 | 22.10.2021 | 74,70,960 | AIMS Bhubaneswar | 3 ventilators to AIMS Bhubaneswar. Sijua, Patrapada, Po-Dumuduma, Bhubaneswar-751019, Orissa. |
| 3 | 09.12.2021 | 43,66,000 | Community Health Centre (CHC), Punhana | One centralized Oxygen Plant of 150LPM capacity at Community Health Centre. (CHC), Punhana block, District-Nuh (Mewat), Haryana |
| 4 | 14.02.2022 | 15,88,000 | Aizawl Football Club, Aizawl, Mizoram | 1 Ambulance to Aizawl Football Club. H.No.188, Thlangtiang Building, Dawrpui West, Aizawl, Mizoram |
| 5 | 28.10.2021 | 21,50,000 | Municipal schools under Thane Municipal Corporation (TMC). Details of school: 1. TMC School Number 1 2. TMC School Number 2 3. TMC School Number 4 4. TMC School Number 5 5. TMC School Number 6 6. TMC School Number 7 7. TMC School Number 9 8. TMC School Number 12 9. TMC School Number 18 10. TMC School Number 14 | 10 smart classrooms in association with Society for NEED. Details of school: 1. TMC School Number 1, Kisannagar, Thane (W)-400604. 2. TMC School Number 2, Juna Belapur Road, Kalwa, Thane (W)- 400605 3. TMC School Number 4, Balkum Pada No.1 4. TMC School Number 5, Sawarkarnagar, Thane (W)-400606 5. TMC School Number 6, Dhokali, Thane (W)- 400607 6. TMC School Number 7, Manpada, Thane (W)- 400607 7. TMC School Number 9, Patilpada, Yeur, Thane (W) 8. TMC School Number 12, Kausa, Thane. 9. TMC School Number 18, Gyansadhna Thane (W)-400606. 10. TMC School Number |

(11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The entire amount of Rs 6.05 crores earmarked towards CSR initiatives for the FY 2021-22 has been allocated for various projects. As implementation of most of the initiatives (projects) undertaken are spread over long periods, funds are released in instalments as per the terms of MoU signed with the implementing agencies. Accordingly, Rs 3.98 crores has been disbursed as on 31.03.2022 and an amount of Rs2.07 crores remains unspent, which will be disbursed on completion of relevant milestones.

sd/-

(Chief Executing Officer or Managing Director or Director)

sd/-

(Chairman CSR Committee)

sd/-

(Person specified under clause (d) of sub-section (1) of section 380 of the Act)
(Wherever applicable)

BUSINESS RESPONSIBILITY REPORT

For the year ended 31st march, 2021

The Directors present the Business Responsibility Report of the Company for the Financial Year ended on 31st March 2021, 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 | 1st April 2021 to 31st March 2022 |
| 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 f) Haldia |
| 10. | Markets served by the Company – Local/ State/ National/ International | National/ International |

Section B: Financial Details of the Company

| | | |
|----|--|---|
| 1. | Paid up Capital (INR) : | Rs. 46,580 Lakhs |
| 2. | Total Turnover (INR) : | Rs. 5,09,859 Lakhs |
| 3. | Total profit after taxes (INR) : | Rs. 79,479 Lakhs |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : | ₹ 605 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 2021-22 are as follows: a. Health & Nutrition b. Education & Skill Development c. Covid Related Measures d. Environment Sustainability |

Section C: Other Details

| | | |
|----|---|--|
| 1. | Does the Company have any Subsidiary Company/ Companies? | Yes - M/s Inland & Coastal Shipping Ltd (a wholly owned subsidiary), M/s Shipping Corporation of India Land and Assets Limited (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) | Yes, however SCILAL is in nascent stage and the policy is not applicable. |

BUSINESS RESPONSIBILITY REPORT

For the year ended 31st march, 2021

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

- DIN: 09310988
- Name : Prabir Kumar Gangopadhyay
- Designation : Director (P&A)

b) Details of the BR head

| S.No. | Particulars | Details |
|-------|----------------------------|--|
| 1. | DIN Number (if applicable) | NA |
| 2. | Name | Mr.Sandeep Misra (from 01.12.2020 to 19.05.2021) / Mr.PK. Gangopadhyay (w.e.f. 20.05.2021) |
| 3. | Designation | GM(P&A) / GM(P&A) / Director (P&A) |
| 4. | Telephone number | 022-2277 2562 / 022-22772562 / 022-22772538 |
| 5. | e-mail id | sandeep.misra@sci.co.in /pk.gangopadhyay@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 & ISO 45001:2018 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' | 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. |
|-----|---|-----|

(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 | Annually |
| 2. | Does the Company publish a BR or a Sustainability | 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 01.04.2021 | 0 | 0 | 5 | 7 |
| 2 | Complaints received during the year | 6 | 0 | 18 | 54 |
| | 1 st Qtr | 1 | 0 | 3 | 6 |
| | 2 nd Qtr | 1 | 0 | 3 | 17 |
| | 3 rd Qtr | 4 | 0 | 8 | 15 |
| | 4 th Qtr | 0 | 0 | 4 | 16 |
| 3 | Complaints disposed of during the year | 6 | 0 | 20 | 55 |
| 4 | Complaints remaining unresolved at the end of the year 31.03.2022 | 0 | 0 | 3 | 6 |

BUSINESS RESPONSIBILITY REPORT

For the year ended 31st march, 2021

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - The company has adopted latest technologies on its ships to improve environmental sustainability by: The company has adopted latest technologies on its ships to improve environmental sustainability by:
 - i. Reducing NOx & SOx emissions from its ships to improve air quality & reduce carbon footprint. 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 with Green Passport or equivalent notation which requires list of hazardous materials to be onboard, which will be useful while recycling/handling of hazardous materials.
 - vii. Ballast Water Treatment Plants are being installed on all new vessels and on existing vessels in a phased manner in order to comply with the IMO regulations. So far we have installed BWTS on 15 existing vessels and shall be installed on remaining vessels based on the dry dock schedule.
 - viii. Vessels have Ship Energy Efficiency Management Plan (SEEMP) onboard which reduce SOx & CO2 emission by minimizing fuel consumption.
 - ix. Use of Asbestos free products onboard.
 - x. Prevention of use of Single Use Plastics (SUP) onboard vessels in compliance with DGS orders.
 - xi. Compliance requirement of carrying of hazardous material on board in accordance with administration circular on Transport and Handling of hazardous and noxious liquid substances in bulk on Indian flagged offshore support vessels.
 - xii. Processes such as underwater hull cleaning, propeller polishing and periodic hull coating during dry-docks are being employed to reduce the total resistance thereby reducing fuel consumption and carbon 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):
 - a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain.
 1. An increase in saving of fuel consumption by about 1% by cleaning of vessels hull regularly –conservation of natural resources.
 2. Reduction of on board Garbage Generation by 2% from previous year – conservation of natural resources.
 3. Reduction of sludge generation on board by 1% of fuel consumption on board from previous year – conservation of natural resources.
 - b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Usage of LED lights in shore establishments has resulted in 50% reduction in power consumption. Solar Panel of 0.5 MW installed capacity at Maritime Training Institute, Powai, Mumbai which is sufficient to cater entire power requirement of the institute
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 1.01.2020.
 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
4. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
 - i. 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. Procurement of goods & services are done in accordance with the revised Public Procurement (Preference to Make in India) Order dated 04.06.2020 and its further revision dated 16.09.2020. During the financial year 2021-22, the procurement from MSME vendors is about 48.27%, complying with 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.

- ii. 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.
- iii. SCI is ensuring that only domestic tenders are floated for procurement of all goods, services and works to be supplied on Indian coast, wherein the contract value is below Rs.200 crore.
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.

The scrap generated in Dry dock / layup repairs is handed over to repairers / yards for recycling Old/expired batteries, medicines 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/recrystalizing.

Principle 3

1. Please indicate the Total number of employees
 - 547 as on 31.03.2022(Regular except Board Level, CVO and Supernumerary)
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis
 - 26 as on 31.03.2022 (Contract and Retainer in shore)
3. Please indicate the Number of permanent women employees
 - 112 as on 31.03.2022(except Board Level Executives)
4. Please indicate the Number of permanent employees with disabilities
 - 9 as on 31.03.2022
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 | NIL | NIL |
| 3. | Discriminatory employment | NIL | NIL |

2. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - Permanent Employees : 81.35%
 - Permanent Women Employees : 93.75%
 - Casual/Temporary/Contractual Employees : 3.85
 - Employees with Disabilities : 66.66%

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

BUSINESS RESPONSIBILITY REPORT

For the year ended 31st march, 2021

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 01.04.2021 | 0 | 0 | 5 | 7 |
| 2 | Complaints received during the year | 6 | 0 | 18 | 54 |
| | 1 st Qtr | 1 | 0 | 3 | 6 |
| | 2 nd Qtr | 1 | 0 | 3 | 17 |
| | 3 rd Qtr | 4 | 0 | 8 | 15 |
| | 4 th Qtr | 0 | 0 | 4 | 16 |
| 3 | Complaints disposed of during the year | 6 | 0 | 20 | 55 |
| 4 | Complaints remaining unresolved at the end of the year 31.03.2022 | 0 | 0 | 3 | 6 |

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

- The policy on Safety, Occupational Health & Environment Protection covers the company and its Joint Venture companies. Being a member of the UN Global Compact, SCI functions in an environmentally responsible fashion.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

- Company 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 is being carried out in a phased manner in order to comply with the IMO regulations.
- Company is ensuring prevention of usage of Single Use Plastics (SUP) onboard vessels in compliance with DGS orders, so as to address the global environmental issues.
- Company is complying to administrative requirement for Carrying hazardous material on board in accordance to circular on Transport and Handling of hazardous and noxious liquid substances in bulk on Indian flagged offshore support vessels.
- International Maritime Organization (IMO) has set ambitious goals of halving greenhouse gas ("GHG") emissions by 2050, compared to 2008 levels, while at the same time reducing carbon dioxide emissions intensity by 40% by 2030 and 70% by 2050. SCI shall be guided for its ships as applicable to comply with Energy Efficiency Existing Ship Index (EEXI) Carbon Intensity Indicator (CII). So far we have calculated the EEXI values for 33 existing vessels out of 48 required vessels and submitted same to Classification Society for approval.
- SCI may consider use of Energy Saving Devices (ESDs) for certain ships based on EEXI / CII calculations to improve propulsive efficiency and reduce fuel consumption and CO2 emissions.
- SCI is also considering use of Biofuels, blended fuel to reduce GHG.
- In the long term (beyond 2030), compatible ship engines for cleaner fuels (new engines), adjusting fuel index (in case of existing engine being de-rated), generators, fuel oil systems, exhaust gas system, tank capacity / arrangement etc shall be adopted as the technology is still evolving.

3. Does the company identify and assess potential environmental risks? Y/N

- Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

- NIL
5. 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.
- In case of four Passenger vessels (2 nos. 500 Pax and 2 nos. 1200 Pax) under construction at M/s Cochin Shipyard Ltd. for A&N Administration, SCI as Technical Consultant to the project, has recommended installation of Electrical Propulsion to optimize fuel consumption. Informatively, 1st 500 Passenger vessel has already been delivered to A&N Administration on 27.03.2021 and the second vessel is scheduled to be delivered in Jun'2022.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
- Emissions/Waste generated by the company Ships are in compliance as per IMO requirements.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
- Nil.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
1. Bombay Chambers of Commerce & Industry (BCCI)
 2. Baltic & International Maritime Council (BIMCO)
 3. Standing Conference of Public Enterprises (SCOPE)
 4. Indian Coastal Conference Shipping Association (ICCSA)
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, and Security.

Principle 8

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

| A. Covid Related Measures |
|---|
| Support to District Hospital Washim with 2 NeoNatal Ventilators and One Cardiac Ambulance |
| Support to AIMS Bhubaneswar with :a) 3 ventilators b) 500 PPE-Kits c) 500 sterile PPE Kits d) 500 surgeon gowns |
| Covid19 Vaccination Camps |
| Support to Panvel Gurudwara for carrying out Covid relief activities |
| Support to Thane Municipal Corporation with sanitizing vending machines, thermal guns etc |
| Project for conducting 24 Medical Camps in association with Delhi Competitive & Vocational Society (DCVS) |
| Ambulance to Aizawl Football Club |
| B. Health & Nutrition |
| Project to support children infected & affected with HIV/AIDS |
| Supporting underprivileged Cancer patients for surgeries at Bhaktivedanta Hospital, Mumbai |
| Project to support 250 newly borne for treatment of clubfoots |
| Project to address the issue of Malnutrition through free milk to children |
| C. Education & Skill Development |
| Annual Grants for Maritime Education |

BUSINESS RESPONSIBILITY REPORT

For the year ended 31st march, 2021

| |
|---|
| Support for setting up 10 smart classrooms in association with Society for NEED |
| Skill Development Training for 150 Underprivileged Women viz. Widows of armed forces, migrants etc. with the assistance of Regional Centre for Entrepreneurship Development |
| Support to Old Age Home Building for Solar Power Plant in association with Tara Sansthan |
| D. Environment Sustainability |
| Project for Urban Forestation in association with Teamwork Welfare Foundation |

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. 605 Lakhs (2021-22)

The projects have been mentioned Under Principal No.8 point 1.

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.
 - Number of Complaints pending at the end of financial year is mentioned under Principle 1(2) and Principle 5(2).
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)
 - The company does not manufacture any product. The company being a service provider displays all its services on its website.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive 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 AOC-1

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

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

Part "A": Subsidiaries

(Rs. in lakhs)

| Sl. No. | Particulars | Details | Details |
|---------|--------------------------|------------------------------------|---|
| 1. | Name of the subsidiary | Inland & Coastal Shipping Limited* | Shipping Corporation of India Land And Assets Limited ^ |
| 2. | Financial Year ending on | 31.03.2022 | 31.03.2022 |
| 3. | Reporting Currency | INR | INR |
| 4. | Share capital | 105 | 1 |
| 5. | Reserves & surplus | (124) | (0.17) |
| 6. | Total assets | 79 | 1 |
| 7. | Total Liabilities | 97 | 0.17 |
| 8. | Investments | 0 | 0 |
| 9. | Turnover | 38 | 0 |
| 10. | Profit before taxation | (89) | (0.17) |
| 11. | Provision for taxation | 0 | 0 |
| 12. | Profit after taxation | (89) | (0.17) |
| 13. | Proposed Dividend | 0 | 0 |
| 14. | % of shareholding | 100 | 100 |

*"Inland and Coastal Shipping Limited " (ICSL) is wholly owned subsidiary company incorporated in India on 29th September 2016. For the purpose of consolidation profit/loss for ICSL has been taken from the audited financial statements for the year ending 31st March 2022. The above subsidiary accounts are audited by the auditors other than statutory auditors of the Company.

^ "Shipping Corporation of India Land And Assets Limited " (SCILAL) is wholly owned subsidiary company incorporated in India on 10th November 2021. For the purpose of consolidation profit/loss for SCILAL has been taken from the audited financial statements for the year ending 31st March 2022. 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 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 (P.J.S.) |
|--|--------------------------------------|--------------------------------------|--------------------------------------|---|--------------------------------------|
| 1. Latest audited Balance Sheet Date | 31.03.2022 | 31.03.2022 | 31.03.2022 | 31.12.2021 | 20.03.2020 |
| 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 |
| 3. Shares of Associate/Joint Ventures held by the company at year end | | | | | |
| No. of Shares | 2908 | 2908 | 2600 | 11036558 | 46060000 |
| Amount of Investment in Associates/Joint Venture (in lakhs) | 3 | 3 | 1 | 7352 | 39 |
| Extent of Holding | 29.08% | 29.08% | 26% | 26% | 49% |
| 4. Description of how there is significant influence | shareholding | shareholding | shareholding | shareholding | shareholding |

FORM AOC-1

| 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 (P.J.S.) |
|---|--------------------------------------|--------------------------------------|--------------------------------------|---|---|
| 5. Reason why associate/ joint venture is not consolidated | NA | NA | NA | NA | IHSC is an investment held for Demerger |
| 6. Networth attributable to shareholding as per latest audited Balance sheet (in lakhs) | 17,596 | 18,289 | 1,593 | 9,726 | (37029) |
| 7. Profit / Loss for the year (in lakhs)* | | | | | |
| i. Considered in consolidation | 2,470 | 2,703 | 1,415 | 544 | NA |
| ii. Not considered in consolidation | NA | NA | NA | NA | (26402) |

* 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 Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045**

**Mrs. Swapnita Vikas Yadav
Company Secretary**

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

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

**CA Kiran Bhoir
Partner
Membership No. 159960**

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

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, 2022 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, 2022 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 lakhs) | 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 | 547 | 12.12.2008 | No advances |
| | | | | Interest on SHL * | 49 | 06.05.2001 | |
| | | | | SHL provided/ (repaid by JV) | (1,964) | | |
| | | | | TOTAL | (1,368) | | |
| ILT No. 2 Ltd. | Joint Venture Company | till 2028 | Based on transfer pricing guidelines | Management & Accounting fee | 546 | 12.12.2008 | No advances |
| | | | | Interest on SHL * | 46 | 06.05.2001 | |
| | | | | SHL provided/ (repaid by JV) | (1,843) | | |
| | | | | TOTAL | (1,251) | | |
| ILT No. 3 Ltd. | Joint Venture Company | till 2034 | Based on transfer pricing guidelines | Management & Accounting fee | 602 | 24.09.2012 | No advances |
| | | | | Interest on SHL * | 801 | 24.09.2012 | |
| | | | | SHL provided/ (repaid by JV) | (362) | | |
| | | | | TOTAL | 1,041 | | |
| ILT No. 4 Pvt. Ltd. | Joint Venture Company | till 2035 | Based on transfer pricing guidelines | Management & Accounting fee | 433 | 28.03.2014 | No advances |
| | | | | Interest on SHL * | - | 13.11.2013 | |
| | | | | SHL provided/ (repaid by JV) | - | | |
| | | | | TOTAL | 433 | | |

* 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

Mumbai
Date : 06.05.2022

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 (Listing Obligations and Disclosure Requirements) 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 the "Code of Business Conduct & Ethics for Board Members and Senior Management Personnel". This Code of Conduct is bifurcated into the "Code of Business Conduct and Ethics for Board Members" and "Code of Business Conduct for Senior Management Personnel". The Code is in alignment with the Company's vision and values to achieve the Mission and 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 and Managing Director is provided at the end of this Report.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS

As on date, the Board of Directors of your Company comprise of 13 members which comprise of 5 Executive Directors (including Chairperson and Managing Director), 2 Non-Executive Directors (Government Nominee Director who represent the promoters i.e., Government of India) and 6 Non-Official Part Time Directors (Independent Directors). As on date, the composition of the Board is compliant with the requirements of Companies Act, 2013, on Corporate Governance except for Regulation 17(1) of SEBI (LODR) Regulations, 2015 and DPE Guidelines.

None of the Board of Directors of the SCI is related inter-se.

The Ministry vide letter dated 14.12.2020 nominated Shri. Vikram Singh, IRTS, Joint Secretary (Ports and Shipping), Ministry of Ports, Shipping and Waterways as Part time Official Director on the Board of SCI vice Shri Satinder Pal Singh, IPS However, his appointment is effective from 02.06.2021 i.e. the date on which he obtained his DIN.

Shri Vijay Tulshiramji Jadhao, Independent director ceased to be on the Board of SCI consequent to his completion of tenure on 02.07.2021.

The Ministry vide letter dated 29.11.2021 has informed the Company that with the approval of the Competent Authority, Smt. H. K. Joshi, Chairperson & Managing Director (CMD), Shipping Corporation of India Limited (SCI) will also hold the additional charge of the post of Director (Finance), SCI for a period of 6 Months w.e.f. 19.03.2021 to 18.09.2021 and for a further period of 6 Months w.e.f. 19.09.2021 to 18.03.2022 or till the appointment of a regular incumbent to the post, or until further orders, whichever is earliest. Further, vide letter dated 16.03.2022 the Ministry informed that the present arrangement of Additional Charge of the post of Director (Finance), SCI to Smt. H. K. Joshi, CMD, SCI will continue w.e.f. 19.03.2022 till the appointment of Director (Finance), SCI or until further orders, whichever is earlier.

Further, on 07.01.2022 the PESB in the interview held for selection of Director (Finance) recommended selection of Shri C.I. Acharya a Whole-Time Director (Finance) on the Board of SCI.

Shri Rajesh Sood, Director (Technical & Offshore Services) completed his tenure on 30.04.2021, consequent upon his superannuation. Further to this, Capt. Binesh Kumar Tyagi, along with the post of Director (Liner and Passenger Services) was also holding additional charge of Director (Technical & Offshore Services) w.e.f. 01.05.2021 to 18.05.2022.

The Ministry of Ports, Shipping and Waterways vide letter no. SS-11012/1/2020-SU, Office Order no 01/2022 dated 18.05.2022 informed the Company that with the approval of Competent Authority, Shri Vikram Dingley, General Manager, Shipping Corporation of India Limited (SCI) is hereby appointed to the post of Director (Technical & Offshore Services), SCI with effect from the date of his assumption of charge of the post till the date of superannuation i.e. 31.05.2026, or until further orders, whichever is earlier. His date of appointment is effective from 19.05.2022 i.e. date of assumption of charge of the post of Director (Technical & Offshore Services).

The Ministry vide letter dated 03.06.2021 informed that, Shri Atul Ubale, Director (Bulk Carrier and Tankers) will continue to hold the additional charge of the post of Director (Personnel and Administration), for a period of six months w.e.f. 01.06.2021 or till appointment of a regular incumbent to the post, or until further orders, whichever is earliest.

Further, on 12.05.2021 the PESB based on the interviews held, recommended selection of Shri Prabir Kumar Gangopadhyay as Whole-Time Director (Personnel and Administration) on the Board of SCI. In this regard, the Ministry vide letter dated 06.09.2021 informed the appointment of Shri Prabir Kumar Gangopadhyay as Director (Personnel and Administration), Shipping Corporation of India Limited (SCI) till the date of his superannuation, i.e. 30.11.2022, or until further orders, whichever is earlier. However, his appointment is effective from 07.09.2021.

The Ministry vide letter dated 22.11.2021 had conveyed the appointment of five Non-official (Independent Directors) on the Board of SCI for a period of 3 years from the date of appointment or until further orders, whichever is earlier. The Independent Directors appointed are

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

1) Shri KNP Chakravarthy, 2) Shri Gulabbhai Rohit, 3) Ms. Arunima Dwivedi, 4) Shri Shreekant Pattar 5) Dr. Anil Kumar Misra.

Since, Shri Gulabbhai Rohit was holding a valid Director Identification Number (DIN), his date of appointment is effective from 22.11.2021 i.e. the date of receipt of his appointment letter from the Ministry of Ports, Shipping and Waterways.

Whereas, the date of appointment of Shri KNP Chakravarthy, Dr. Anil Kumar Misra, Ms Arunima Dwivedi and Shri Shreekant Pattar is effective from 07.12.2021 i.e. the date of obtaining their respective DIN.

CA Mavijbhai Sorathia, Non official Part Time (Independent) Director completed his tenure on the Board of the Shipping Corporation of India Limited on 16.12.2021.

The PESB in their interview held on 04.02.2022 for selection for the post of Chairperson and Managing Director, Shipping Corporation of India recommended selection of Capt. Binesh Kumar Tyagi, Functional Director, SCI as the Chairperson and Managing Director, SCI. However, his date of appointment will only be effective on receiving necessary approval from the Administrative Ministry.

Smt H. K. Joshi has completed her tenure as the Chairperson and Managing Director of SCI consequent upon her superannuation with effect from the closing hours of 31.05.2022.

The Ministry of Ports, Shipping and Waterways vide letter no. SS-11012/1/2021-SU, Office Order no 03/2022 dated 27.05.2022 informed the Company that with the approval of Competent Authority, Shri Atul Ubale, Director (Bulk Carrier and Tanker), Shipping Corporation of India Limited (SCI) will also hold the additional charge for the post of Chairperson and Managing Director (CMD), SCI and additional charge for the Post of Director (Finance), SCI for a period of 3 Months w.e.f. 01.06.2022 to 31.08.2022 or till the appointment of a full time CMD/ Director (Finance), or until further orders, whichever is earlier. The Ministry of Ports, Shipping and Waterways vide Office Order dated 09.06.2022 informed the Company that, Shri C.I Acharya, Chief General Manager, Mangalore Refineries & Petrochemicals Limited (MRPL), is hereby appointed to the Post of Director (Finance), Shipping Corporation of India Limited (SCI) with effect from the date of assumption of charge of the post till the date of his superannuation, i.e. 31.03.2026, or until further orders, whichever is earlier. The effective date of appointment of Shri C.I. Acharya as Director (Finance) on the Board of SCI is 13.06.2022 i.e. assumption of his charge to the post of Director (Finance).

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, 2022 ARE SET OUT BELOW:

| Name of the Director | Designation | Number of Directorships in other Companies* | Details of Directorships in other Listed Entities (Regulation 17A**) of SEBI LODR, Regulations, 2015 | Details of Membership/ Chairpersonship held in Committees of other Companies (Regulation 26) of SEBI LODR, Regulations, 2015* |
|-----------------------------|---|--|--|---|
| FUNCTIONAL DIRECTORS | | | | |
| Smt. H. K. Joshi | Chairperson and Managing Director holding Additional Charge of Director (Finance) | <ul style="list-style-type: none"> Inland and Coastal Shipping Limited ^ Shipping Corporation of India Land and Assets Limited ^ India LNG Transport Company No. 1 Ltd.\$ India LNG Transport Company No. 2 Ltd.\$ India LNG Transport Company No. 3 Ltd.\$ India LNG Transport Company No. 4 Pvt Ltd.\$ | NIL | NIL |
| Shri. Atul Ubale | Director (Bulk Carrier and Tanker) | <ul style="list-style-type: none"> India LNG Transport Company No. 1 Ltd.\$ India LNG Transport Company No. 2 Ltd.\$ India LNG Transport Company No. 3 Ltd.\$ India LNG Transport Company No. 4 Pvt Ltd.\$ | NIL | NIL |
| Capt. Binesh Kumar Tyagi | Director (Liner and Passenger Services) holding Additional Charge of Director (Technical and Offshore Services) | <ul style="list-style-type: none"> Inland and Coastal Shipping Limited ^ | NIL | NIL |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

| Name of the Director | Designation | Number of Directorships in other Companies* | Details of Directorships in other Listed Entities (Regulation 17A**) of SEBI LODR, Regulations, 2015 | Details of Membership/ Chairpersonship held in Committees of other Companies (Regulation 26) of SEBI LODR, Regulations, 2015* |
|------------------------------------|---|---|--|---|
| Shri Prabir Kumar Gangopadhyay@ | Director (Personnel and Administration) | <ul style="list-style-type: none"> Inland and Coastal Shipping Limited ^ | NIL | NIL |
| GOVERNMENT NOMINEE DIRECTOR | | | | |
| Shri. Sanjay Kumar | Government Nominee Director | <ul style="list-style-type: none"> Shipping Corporation of India Land and Assets Limited ^ India LNG Transport Company No. 2 Ltd.\$ India LNG Transport Company No. 3 Ltd.\$ India LNG Transport Company No. 4 Pvt Ltd.\$ | NIL | NIL |
| Shri Vikram Singh# | Government Nominee Director | <ul style="list-style-type: none"> Shipping Corporation of India Land and Assets Limited ^ Sagarmala Development Company Limited | NIL | NIL |
| INDEPENDENT DIRECTOR | | | | |
| Shri. Pramod Kumar Panda | Independent Director | NIL | NIL | NIL |
| Shri Gulabbhai Rohit& | Independent Director | NIL | NIL | NIL |
| Ms Arunima Dwivedi& | Independent Director | NIL | NIL | NIL |
| Dr. Anil Kumar Misra& | Independent Director | NIL | NIL | NIL |
| Shri Shreekant Pattar& | Independent Director | NIL | NIL | NIL |
| Shri KNP Chakravarthy& | Independent Director | NIL | NIL | NIL |

*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.

^ Deemed Public Company.

** In accordance with Regulation 17A of the SEBI (LODR) Regulations, 2015 the Directors of Listed entities shall comply with the following conditions with respect to the maximum number of Directorships that can be held by them at any point of time:

A person shall not be a director in more than seven listed entities with effect from April 1, 2020.

\$Nominated by SCI and appointed by the Ministry of Ports, Shipping and Waterways.

@ Ministry vide letter dated 06.09.2021 informed the appointment of Shri Prabir Kumar Gangopadhyay as Director (P&A), Shipping Corporation of India Limited (SCI) till the date of his superannuation, i.e. 30.11.2022, or until further orders, whichever is earlier. However, his appointment is effective from 07.09.2021.

#The Ministry vide letter dated 14.12.2020 nominated Shri Vikram Singh, IRTS, Joint Secretary (Ports and Shipping), Ministry of Ports, Shipping and Waterways as Part time Official Director on the Board of SCI vice Shri Satinder Pal Singh, IPS However, his appointment is effective from 02.06.2021 i.e. the date on which he obtained DIN.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

&The Ministry vide letter dated 22nd November, 2021 had conveyed the appointment of five Non-official Part-time (Independent) Directors on the Board of SCI for a period of 3 years from the date of appointment or until further orders, whichever is earlier. The Independent Directors appointed are

1) Shri KNP Chakravarthy, 2) Shri Gulabbhai Rohit, 3) Ms. Arunima Dwivedi, 4) Shri Shreekant Pattar 5) Dr. Anil Kumar Misra.

Since Shri Gulabbhai Rohit was holding a valid DIN, his date of appointment is effective from 22.11.2021 i.e. the date of receipt of his appointment letter from the Ministry of Ports, Shipping and Waterways.

Whereas, the date of appointment of Shri KNP Chakravarthy, Dr. Anil Kumar Misra, Ms Arunima Dwivedi and Shri Shreekant Pattar is effective from 07.12.2021 i.e., the date of them obtaining their respective DIN.

BOARD MEETINGS / ANNUAL GENERAL MEETING.

During the financial year 2021-2022, five (5) Board Meetings were held, the dates being, 29.04.2021, 13.05.2021, 03.08.2021, 01.11.2021 and 31.01.2022. The details about attendance of the Directors at the Board Meetings and at the 71st Annual General Meeting (AGM) held on 26.08.2021 are given below:

| Name of the Director | No. of Board Meetings during FY 2021-22 | | Attendance at the last AGM held on 26.08.2021 |
|----------------------------------|---|----------|---|
| | Held during the tenure of Directors | Attended | |
| Smt. H. K. Joshi | 5 | 5 | Yes |
| Shri Rajesh Sood* | 1 | 1 | NA |
| Shri Atul Ubale | 5 | 5 | Yes |
| Capt. Binesh Kumar Tyagi | 5 | 5 | Yes |
| Shri Prabir Kumar Gangopadhyay** | 2 | 2 | NA |
| Shri Vikram Dingley*** | 0 | 0 | NA |
| Shri C.I. Acharya**** | 0 | 0 | NA |
| Shri Sanjay Kumar | 5 | 5 | NA |
| Shri Vikram Singh@ | 3 | 3 | NA |
| CA Mavjibhai Sorathia\$ | 4 | 4 | Yes |
| Shri Pramod Kumar Panda | 5 | 5 | Yes |
| Shri Vijay Jadhao\$\$ | 2 | 2 | NA |
| Shri Gulabbhai Rohit\$\$\$ | 1 | 1 | NA |
| Ms. Arunima Dwivedi\$\$\$\$ | 1 | 1 | NA |
| Dr. Anil Kumar Misra\$\$\$\$\$ | 1 | 1 | NA |
| Shri Shreekant Pattar\$\$\$\$\$ | 1 | 1 | NA |
| Shri KNP Chakravarthy\$\$\$\$\$ | 1 | 1 | NA |

*Shri Rajesh Sood ceased to be on the Board of SCI w.e.f 01.05.2021 consequent upon his Superannuation.

**Shri P. K Gangopadhyay was appointed on the Board of SCI w.e.f 07.09.2021 as Director (P&A) by the Ministry of Ports, Shipping and Waterways.

*** Shri Vikram Dingley was appointed on the Board of SCI w.e.f 19.05.2022 as Director (T&OS) by the Ministry of Ports, Shipping and Waterways.

**** Shri C.I Acharya was appointed on the Board of SCI w.e.f 13.06.2022 as Director (Finance) by the Ministry of Ports, Shipping and Waterways.

@Shri Vikram Singh was appointed on the Board of SCI w.e.f 02.06.2021 as part time Official Director (Government Nominee Director) by the Ministry of Ports, Shipping and Waterways.

\$CA Mavjibhai Sorathia ceased to be on the Board of SCI w.e.f 17.12.2021 consequent upon completion of his tenure.

\$\$Shri Vijay Tulshiramji Jadhao ceased to be on the Board of SCI w.e.f 03.07.2021 consequent upon completion of his tenure.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

\$\$\$ Shri Gulabbhai Rohit was appointed on the Board of SCI w.e.f 22.11.2021 as an Independent Director by the Ministry of Ports, Shipping and Waterways.

\$\$\$\$ Ms. Arunima Dwivedi, Dr. Anil Kumar Misra, Shri Shreekant Pattar and Shri KNP Chakravarthy were appointed on the Board of SCI w.e.f 07.12.2021 as an Non-official Part-time Independent Directors by the Ministry of Ports, Shipping and Waterways.

The changes taken place in the constitution of the Board of Directors of SCI during the FY 2021-2022 are as follows:

| Name of the Director | Date of Appointment | Date of Cessation | Nature of Appointment/ Reason for cessation |
|---------------------------------------|----------------------------|--------------------------|---|
| Smt. H. K Joshi | 19.12.2019 | 01.06.2022 | Ceased to be the CMD and Additional Charge Director (Finance) of the company consequent upon Superannuation |
| Shri Rajesh Sood | 29.12.2017 | 01.05.2021 | Ceased to be Director (T&OS) of the Company consequent to his Superannuation |
| Capt. Binesh Kumar Tyagi | 01.05.2021 | 19.05.2022 | Capt B K Tyagi was holding an Additional Charge of Director (T&OS) till the appointment of Shri Vikram Dingley as Director (T&OS) w.e.f 19.05.2022. |
| Shri Vikram Singh | 02.06.2021 | - | Appointment as a Part-time Official Director as per order of the Ministry of Ports, Shipping and Waterways |
| Shri Vijay Jadhao | 03.07.2018 | 03.07.2021 | Completion of Tenure as an Independent Director |
| Shri Atul Ubale | 01.12.2020 | 07.09.2021 | Cessation of Additional Charge of Director (P&A) upon appointment of Shri P. K. Gangopadhyay as Director (P&A). |
| Shri Prabir Kumar Gangopadhyay | 07.09.2021 | - | Appointment as Director (P&A) as per order of the Ministry of Ports, Shipping and Waterways |
| CA Mavjibhai Sorathia | 17.12.2018 | 17.12.2021 | Completion of Tenure as an Independent Director |
| Shri Gulabbhai Rohit | 22.11.2021 | - | Appointment as an Independent Director as per order of the Ministry of Ports, Shipping and Waterways |
| Ms. Arunima Dwivedi | 07.12.2021 | - | Appointment as an Independent Director as per order of the Ministry of Ports, Shipping and Waterways |
| Dr. Anil Kumar Misra | 07.12.2021 | - | Appointment as an Independent Director as per order of the Ministry of Ports, Shipping and Waterways |
| Shri Shreekant Pattar | 07.12.2021 | - | Appointment as an Independent Director as per order of the Ministry of Ports, Shipping and Waterways |
| Shri KNP Chakravarthy | 07.12.2021 | - | Appointment as an Independent Director as per order of the Ministry of Ports, Shipping and Waterways |
| Shri Vikram Dingley | 19.05.2022 | - | Appointment as Director (T&OS) as per order of the Ministry of Ports, Shipping and Waterways. |
| Shri Atul Ubale | 01.06.2022 | - | Appointment as Additional Charge Chairman and Managing Director as per the order of Ministry of Ports, Shipping and Waterways. |
| Shri Atul Ubale | 01.06.2022 | 13.06.2022 | Additional Charge Director (Finance) as per order of the Ministry of Ports, Shipping and Waterways and Cessation of Additional Charge of Director (Finance) upon appointment of Shri C. I Acharya as Director (Finance) |
| Shri C. I Acharya | 13.06.2022 | - | Appointment as Director (Finance) as per order of the Ministry of Ports, Shipping and Waterways |

INDEPENDENT DIRECTORS:

As provided under Schedule IV of the Companies Act, 2013 and also as per Regulation 25 (3) of the SEBI (LODR) Regulations, 2015, separate meetings of Independent Directors were held on 31st January, 2022 during the financial year 2021-22.

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 Company are appointed by Ministry of Ports, Shipping and Waterways, Government of India. No Independent Director has resigned before the expiry of their term during the FY 2021-2022.

DETAILS OF FAMILIARIZATION PROGRAMME

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 C (2)(h) OF SCHEDULE V TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 as on 31.03.2022.

SCI being a 'Navratna' PSU, comes under the Administrative Ministry of Ports, Shipping and Waterways. The power to appoint Directors on the Board of SCI (including Independent Directors) vests with the Government of India. The Functional and Nominee Directors having specified skills/ expertise and competencies in the context of Company's business to function efficiently and effectively are selected by Public Enterprises Selection Board (PESB) whereas Independent Directors are selected from a mix of eminent personalities having requisite experience in the diversified fields. Therefore, all the Directors have requisite skills, expertise and competence in the areas of general administration, finance, corporate governance, strategic planning, analytical thinking etc. The Board comprises of Directors from diverse fields, experience, skills, qualifications and competence which are aligned with Company's business, overall strategy, values, corporate ethics and culture.

| SR. | NAME | SKILLS/ EXPERTISE/ COMPETENCE |
|-----|---------------------------------|--|
| 1 | Smt. H. K. Joshi | <p>Smt. H.K. Joshi joined SCI as Director (Finance) on 5th February, 2015. Prior to assuming charge of the office of Director (Finance) in SCI, she was General Manager (F&A) in ONGC, Mumbai in the Offshore Engineering Services wherein large Mega Offshore Construction Projects are handled. She had a shade over three decades of rich and diversified experience with ONGC which 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. She had also held additional charge of Managing Director of Indian Ports Global Ltd. (IPGL) and Chairperson & Managing Director of India Ports Global Chabahar Free Zone (IPGCFZ).</p> <p>Smt. H.K. Joshi has been conferred WISTA India Personality of the Year 2020 award and the 'CEO with HR Orientation' Award at the 28th and 29th Editions of the World HRD Congress for the Years 2020 and 2021 and with 'Sailor Today Sea Shore Awards 2019' under the category of "Woman of Substance". She was also honored 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 the 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.</p> |
| 2 | Shri Atul Ubale | <p>Shri Atul Ubale joined the Shipping Corporation of India Limited in 1989 as a Management Trainee and has served in various Divisions of the Corporation. He is a holder of MBA in Marketing from Mumbai University. Shri Atul Ubale has vast experience in Off Shore Services, Ship acquisition, Chartering and Commercial operations of Bulk Carriers and Tankers, besides serving in SCI's overseas office. With Shri Ubale's expertise in chartering & commercial operations, SCI will make its presence felt in niche markets.</p> |
| 3 | Capt. Binesh Kumar Tyagi | <p>Capt. Binesh Kumar Tyagi has taken over as Director (Liner and Passenger Services), on 8th January 2021. In his distinguished Shipping career spanning over 30 years in SCI, he has held many responsible appointments, both Afloat and Ashore. After graduation, Capt. Tyagi joined SCI in 1990, as Trainee Nautical Officer. He served on board various ships, in different ranks, including as Master. In 2004, he was absorbed ashore, wherein he served at various Management level positions and performed Technical, Vetting, Chartering, Training and Fleet Personnel functions. He is a well-rounded shipping professional with qualifications in Ship Operations, Navigation, General Management, Shipping Management and law. Capt. Tyagi is also on board of ICSL from 20.11.2020</p> |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

| SR. | NAME | SKILLS/ EXPERTISE/ COMPETENCE |
|-----|---------------------------------------|--|
| 4 | Shri Prabir Kumar Gangopadhyay | Shri Prabir Kumar Gangopadhyay has taken over as Director (Personnel & Administration), on 7th September 2021. During his career spanning over 32 years in SCI, he has successfully handled diverse portfolios both on-board vessels and ashore. Shri Prabir Kumar Gangopadhyay, post completing Mechanical Engineering and obtaining Certificate of Competency, joined SCI fleet in 1988 as a Marine Engineer, wherein he served and gained valuable experience on board diverse vessels. After serving as Chief Engineer on-board vessels, he was absorbed ashore in 2002. During his stint ashore, he has served at varied Management level positions in domains of Techno Commercial management and Human Resources management. He has rich experience as a Shipping Professional, which broadly includes handling of operations on-board vessels, management & execution of technical projects, review & optimization of business processes, sourcing & management of appropriate manpower for fleet & shore operations, and administration. |
| 5 | Shri Sanjay Kumar | 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. |
| 6 | Shri Vikram Singh | Shri Vikram Singh, (IRTS: 1997) looks after the portfolio of Ports Wing and PHRD matters relating to Ports. He has also been assigned the additional charge of work relating to Joint Secretary (Shipping) and Chief Vigilance Officer of the Ministry. He worked as Director, Passenger Marketing in Railway Board. |
| 7 | Shri Pramod Kumar Panda | Shri Pramod Kumar Panda, a career central banker, specializes in financial regulation, banking supervision and capacity building financial inclusion. He has long and extensive experience in Reserve Bank of India (RBI)'s onsite supervision and off site 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 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. Shri Panda, is currently associated with the Centre for Advanced Financial Research and Learning (CAFRAL)'s, learning activities as Senior Program Director. He was RBI Nominee Director on the Board of Bank of India. As General Manager and Chief General Manager at RBI's DBS he has led projects for implementation of Risk Based Supervision, Pillar 2 of Basel II, Financial Conglomerate Supervision and Cross Border Supervision and 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. |
| 8 | Shri Gulabbhai Rohit | Shri Gulabbhai Lakhubhai Rohit Post Graduated from South Gujarat University, MBA from IIFCM and AMFI and CA (Inter). He has started Tax Consultancy, Since 05th September 1997, as an Income Tax Practitioner, VAT Practitioner and GST Practitioner since July 2017. He is also Investment advisor in Insurance Sectors and Mutual Fund sectors. Overall 24 Years vast experience in Accounting, Taxations (Direct and Indirect Taxation) Internal Audits and Tax Audits and Manage Investment Portfolio of customers. Also he is Industrial Consultant for Factory and Pollution matter. He is also running various social activities under his own Foundation, Founder and Director of MUKTISHREY FOUNDATION (Reg.No.U85300DN2020NPL005630) Social activities for S.C./S.T. Students, Plantations at various places in the Dadra and Nagar Haveli, Blood Donation Camps, Religious activities/Sports activities under his foundation. |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

| SR. | NAME | SKILLS/ EXPERTISE/ COMPETENCE |
|-----|------------------------------|---|
| 9 | Ms. Arunima Dwivedi | Ms. Arunima Dwivedi, Advocate, Post Graduated [M.Sc. (Physics)] from Utkal University and did law from Gujarat University. She started practicing law from 1999, putting in almost 22 years of vast experience in Civil law, Criminal law, Banking law, Property law, Administrative law, and Labour law and with specialization in Commercial law, corporate law. She is Advocate-on-Record in Supreme Court of India and also representing Govt. of India before Supreme Court of India and Delhi High Court. She also has experience in Mediation and Arbitration and is a full time Mediator with Delhi High Court Mediation Centre. She also worked with number of NGOs and does free legal Aid camps. She is working relentlessly towards enabling women to become capable of making their own decisions and fight for their rights. Her work aims at safer and better lives for women and children. |
| 10 | Dr. Anil Kumar Misra | Dr. Anil Kumar Misra is currently serving as H.O.D. at Department of History, V.S.S.D. College, Kanpur, Uttar Pradesh. A postgraduate in history, he also holds an LL.B. and Ph.D. degree, all from C.S.J.M. University, Kanpur. He has a teaching experience at postgraduate level, of 32 years and counting. He has been serving as the president of Itihaas Sankalan Samiti, Kanpur Prant. Dr. Misra has contributed in varied administrative capacities at C.S.J.M. University. Over the years, he has conducted several national seminars and published over two dozen outstanding research papers in reputed national journals. His understanding for the value of quality education has brought him into management body of numerous academic institutions. Understanding his social obligations, he proactively and consistently contributes at various cultural, social and charitable platforms. His efforts towards social and educational upliftment of society have been thoroughly acknowledged. |
| 11 | Shri Shreekant Pattar | Shri Shreekant Pattar, done his M.A., B.Ed., and actively working in education sector since two decades. He mastered in Kannada Literature, Indian History and Indian Constitution. He is involved in co-operative sector from 12 years and serving as a founder Director of a Co-Operative Society. He has expertise and wide experience of around 15 years as Trainer for Competitive Exams and as a lecturer. He is a Founder Director of 'Pratibhaloka Career Academy', Competitive Examination Study Centre for Teacher Recruitment, Police, PSI, FDA, SDA, RRB, K.A.S. and Pre-competitive exams such as banking (CET, CAT). Several aspirants got selected for State Government Services as well as Indian Railways and Banking sector. He is also serving as the Secretary of JSG Foundation's Science P U College, Talikoti, Vijayapur district, Karnataka which targets rural talented youth to pursue higher education. Being Motivational Speaker, he delivered Special lectures on Personality Development and 'Vachana' Literature in various schools, colleges and seminars across the state. He is regular speaker at various literary and cultural forums. He has penned many articles which are published across magazines and periodicals on the topics related to social reforms. With an authoritative voice and calm demeanor, he is a popular Narrator. With his orative Skills influences audiences. He participated as a guest in several live Programmes in different TV Channels. He served as co-editor of the conference's commemorative titled "Kotedhwani", during the first taluk Kannada Sahitya Sammelana event, and titled "Bili Jwala Jeeva Jeevala" during District Kannada Sahitya Sammelana held in 2019, at Talikoti. He is the Founder President of Srujanasheela Chintana Balaga— a forum of intellectuals. He served as Honorary Secretary of Kannada Sahitya Parishat, Talikoti Taluk Unit. |
| 12 | Shri KNP Chakravarthy | Shri K N P Chakravarthy holds a Masters Degree in Business Administration from Vinayaka Missions University, Salem; studied in GITAM College, graduated with Bachelor of Science from JRN RV University, also holds a Graduate Diploma in Physical Education from Sri Venkateswara University, Tirupati and has done his Schooling at Sainik School, Korukonda, Vizianagaram which is one of the best schools in India working under Ministry of Defence. Started his career as a Medical Representative with Madras Medical Company (MMC) and rose up to the position of Area Manager (Regional) in reputed pharmaceutical companies with an overall experience of 8 years in Pharma Industry. Later worked with Max Newyork Life, a Multi-National Company as an Associate Sales Manager and rose up to the position of Senior Sales Manager in a period of 4 years. Organized many social activities like distributing essential commodities to the needy in remote areas; organized medical camps by distributing anti-malarial kits, anti-filarial kits to the downtrodden tribes living at hill stations on behalf of SERVE-an NGO. Extended help to the poor and affected people in and around Visakhapatnam during Hudhud (a National cyclonic disaster). Organized nearly 32 blood donation camps in a span of 8 years with various NGO's which he represents. Established ALL INDIA CORPORATE EMPLOYEES WELFARE ASSOCIATION and being Founder President, resolved hundreds of cases across India regarding Job insecurity for the employees working with Corporate Companies. |

DIRECTORS SHAREHOLDING

Capt. B. K Tyagi, Director (Liner and Passenger Services) and Shri Vikram Dingley, Director (Technical & Offshore Services) holds 300 Shares and 1620 Shares in SCI respectively as on 31.03.2022. These shares were acquired by Capt. B. K. Tyagi and Shri Vikram Dingley prior to appointment as Director (Liner and Passenger Services) and as Director (Technical & Offshore Services) respectively.

None of the other Directors are holding shares in SCI.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

COMMITTEES OF THE BOARD AS ON 31st MARCH, 2022

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

During the Financial Year 2021-2022, the Meeting of the Audit Committee was held on 28.04.2021, 13.05.2021, 03.08.2021, 01.11.2021 and 31.01.2022

| Name of the committee | Terms of reference | Category and composition | | Other Details |
|-----------------------|---|---------------------------------|----------------------|---|
| | | Name | Category | |
| Audit Committee | Committee is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the DPE Guidelines on Corporate Governance for CPSE's, 2010 | Shri Gulabbhai Rohit (Chairman) | Independent Director | <ul style="list-style-type: none"> All members of the Audit Committee are financially literate. Director (Finance) and the Director in charge of operations attend the meeting as invitees whenever required. The Statutory Auditors and Internal Auditors also attend Meetings at which the Audit Reports/Company's Financial Statements are reviewed by the Committee. The Company Secretary acts as the Secretary to the Committee. 5 Meetings were held during the Financial Year 2021-22 and the gap between the two meetings did not exceed one hundred and twenty days as per SS-1. |
| | | Shri Atul Ubale, D (B&T) | Whole-Time Director | |
| | | Shri Pramod Kumar Panda | Independent Director | |
| | | Ms. Arunima Dwivedi | Independent Director | |

| Name of the Director | No. of Meetings | |
|-------------------------|-------------------------------------|----------|
| | Held during the tenure of Directors | Attended |
| CA Mavjibhai Sorathia | 4 | 4 |
| Shri Atul Ubale | 5 | 5 |
| Shri Pramod Kumar Panda | 5 | 5 |
| Shri Vijay Jadhao | 2 | 2 |
| Shri Gulabbhai Rohit | 1 | 1 |
| Ms. Arunima Dwivedi | 1 | 1 |

NOMINATION AND REMUNERATION COMMITTEE

| Name of the committee | Terms of reference | Category and composition | | Other Details |
|---------------------------------------|--|---------------------------------|------------------------|---|
| | | Name | Category | |
| Nomination and Remuneration Committee | <ul style="list-style-type: none"> The terms of reference of Nomination and Remuneration committee are to take care of Compliances under section 178 of the Companies Act, 2013 and clause 5.1 of he DPE Guidelines on Corporate Governance for CPSE's 2010 and Regulation 19 read with 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 Ports, Shipping and Waterways, Government of India in view of the fact that SCI is a Government Company as per section 2(45) of the Companies Act, 2013 | Dr. Anil Kumar Misra (Chairman) | Independent Director | <ul style="list-style-type: none"> The Company Secretary acts as the Secretary of the Committee. The Chairperson of the Nomination and Remuneration Committee is an Independent Director pursuant to Regulation 19(2) of the SEBI (LODR) Regulation, 2015 |
| | | Shri Vikram Singh | Govt. Nominee Director | |
| | | Shri Shreekant Pattar | Independent Director | |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

During the Financial Year 2021-2022, the Meeting of the Nomination and Remuneration Committee was held on 02.08.2021 and 31.01.2022.

| Name of the Director | No. of Meetings | |
|-------------------------|-------------------------------------|----------|
| | Held during the tenure of Directors | Attended |
| CA Mavjibhai Sorathia | 1 | 1 |
| Shri Pramod Kumar Panda | 1 | 1 |
| Shri Vijay Jadhao | NA | NA |
| Shri Vikram Singh | 2 | 2 |
| Shri Shreekant Pattar | 1 | 1 |
| Dr. Anil Kumar Misra | 1 | 1 |
| Shri Sanjay Kumar | 0 | 0 |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

| Name of the committee | Terms of reference | Category and composition | |
|---|--|-------------------------------|-----------------------------------|
| | | Name | Category |
| Corporate Social Responsibility Committee | <ul style="list-style-type: none"> The Committee is constituted in line with section 135 and Schedule VII of the Companies Act, 2013 and DPE Guidelines, comprising of Independent Directors and Whole-Time Directors to carry out the following functions: <ol style="list-style-type: none"> Formulate and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in the CSR policy. Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR policy. Monitor the CSR Policy. | Smt. H.K. Joshi (Chairperson) | Chairperson and Managing Director |
| | | Shri P.K. Gangopadhyay | D(P&A) Whole-Time Director |
| | | Shri KNP Chakravarthy | Independent Director |
| | | Dr. Anil Kumar Misra | Independent Director |

During the Financial Year 2021-2022, the Meeting of the Corporate Social Responsibility Committee was held on 12.05.2021, 03.08.2021, 01.11.2021 and 31.01.2022.

| Name of the Director | No. of Meetings | |
|-------------------------|-------------------------------------|----------|
| | Held during the tenure of Directors | Attended |
| Smt. H.K. Joshi | 4 | 4 |
| Shri Rajesh Sood* | NA | NA |
| Capt B.K. Tyagi | 3 | 3 |
| Shri Atul Ubale | 2 | 2 |
| Shri P.K. Gangopadhyay | 2 | 2 |
| Shri Pramod Kumar Panda | 3 | 3 |
| Shri Vijay Jadhao | 1 | 1 |
| Shri KNP Chakravarthy | 1 | 1 |
| Dr. Anil Kumar Misra | 1 | 1 |

*Shri Rajesh Sood, Director (Technical and Offshore Services) was superannuated on 30.04.2021. No meeting was held in the financial year 2021-22 till the date of his superannuation.

SHARE TRANSFER COMMITTEE

This Committee of the Board comprising of Chairperson & Managing Director and Two Executive Directors (Whole Time), regularly approves the transfer and transmission of shares and other related matters. As and when the shareholders made lodgments for transfer/re-materialization/issue of Duplicate Share Certificate, the Share Transfer Committee held their meetings promptly to effect the transfers. There was no Share Transfer Committee Meeting of the Board held during the Financial Year 2021-22.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

STAKEHOLDERS' RELATIONSHIP COMMITTEE

| Name of the committee | Terms of reference | Category and composition | | Other Details |
|--------------------------------------|--|---------------------------------------|----------------------|--|
| | | Name | Category | |
| Stakeholders' Relationship Committee | The term of references of Stakeholder Relationship Committee is to take care of the Compliances under section 178 of Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulation 2015. | Shri KNP Chakravarthy (Chairman) | Independent Director | <ul style="list-style-type: none"> The Chairperson of the Stakeholders' Relationship Committee is a Non-Executive Independent Director pursuant to Regulation 20(2) of SEBI (LODR) Regulation, 2015. The Company Secretary acts as the Secretary to the Committee. |
| | | Capt. B.K. Tyagi D (L&PS), (Member) ^ | Whole-time Director | |
| | | Shri Shreekant Pattar (Member) | Independent Director | |

During the Financial Year 2021-2022, the Meeting of the Stakeholders Relationship Committee was held on 29.04.2021.

| Name of the Director | No. of Meetings | |
|-------------------------|-------------------------------------|----------|
| | Held during the tenure of Directors | Attended |
| Shri Vijay Jadhao | 1 | 1 |
| Shri Pramod Kumar Panda | 1 | 1 |
| Capt B.K. Tyagi | 1 | 1 |
| CA Mavjibhai Sorathia* | NA | NA |
| Shri KNP Chakravarthy** | NA | NA |
| Shri Shreekant Pattar** | NA | NA |
| Shri Sanjay Kumar | 0 | 0 |

^ Capt. B.K. Tyagi was holding Additional Charge of Director (T&OS) w.e.f. 01.05.2021 to 18.05.2022.

*No meeting was held in the financial year 2021-22 during his tenure which was completed on 16.12.2021.

**No meeting was held in the financial year 2021-22 after their appointment in the Committee on 17.12.2021.

GRIEVANCES & THEIR REDRESSALS

During the year under review, all the complaints were resolved. The complaints of the Stakeholders have been addressed 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 01.04.2021 | Received during the year | Redressed during the year | Pending as on 31.03.2022 |
|-------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
| SEBI | NIL | 03 | 03 | NIL |
| Stock Exchanges | NIL | 03 | 03 | NIL |
| Other | NIL | 00 | 00 | NIL |
| Total | NIL | 06 | 06 | NIL |

COMPLIANCE OFFICER: The Compliance Officer for monitoring the Share Transfer process and for carrying out other related functions as per Listing Regulations, is Smt. Swapnita Vikas Yadav, Company Secretary and Compliance Officer, and can be contacted at:

"Shipping House"

Tel: 022- 2277 2213

245, Madame Cama Road, Nariman Point, Mumbai – 400 021.

E-mail: swapnita.rane@sci.co.in

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

RISK MANAGEMENT COMMITTEE

In the FY 2021-22, the Meeting of Risk Management Committee were held on 07.04. 2021, 12.03.2022 and 26.03.2022 to review the risks for Financial Year 2021-2022 along with mitigation measures of the same.

SEBI vide circular number No. SEBI/LAD-NRO/GN/2021/22 dated 05.05.2021, has made amendments in the Regulation 21(2) and Schedule III of the SEBI (LODR), 2015. In view of this amendment the Risk Management Committee was reconstituted on 13.05.2021 wherein Shri Pramod Panda, Independent Director was appointed as the member on the Risk Management Committee. Accordingly, the Terms of Reference of Risk Management Committee includes –

- 1) To formulate detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risks as may be determined by the committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) Roles and responsibilities of Chief Risk Officer (CRO)
- 7) The appointment, removal of the Chief Risk Officers (if any) shall be subject to review by the Risk Management Committee

The risk management committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Committee was reconstituted on 17.12.2021, through resolution passed through circulation with Ms. Arunima Dwivedi as Chairperson of the Risk Management Committee.

Shri Lawrence Serrao, Chief Financial Officer ceased to be the member of the Risk Management Committee w.e.f 13.06.2022, pursuant to the appointment of Shri C.I. Acharya as Director (Finance) on the Board of SCI.

The Committee is reconstituted with Shri C.I. Acharya Director (Finance) as the member of Risk Management Committee w.e.f 13.06.2022.

UNPAID/ UNCLAIMED DIVIDEND DETAILS

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend, if not claimed for a 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”). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to Unpaid Dividend Account shall also be transferred to IEPF Authority.

In view of the aforesaid provisions, 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** → **Investor** → **Unclaimed Shares/ Dividend**. The Company has made all the transfers required to be made as per the Companies Act, 2013 in the FY 2018-19.

Pursuant to Section 124(2) of the Companies Act, 2013, the Unpaid Amount of Dividend for the FY 2019-20 and 2020-21 has been uploaded on the website of the Company and the same can be accessed by all the Stakeholders on www.shipindia.com → **Interface** → **Investor** → **Unclaimed Shares/ Dividend** → **Unpaid/ unclaimed amount of Dividend for the FY 2019-20 as on 23.10.2020** and on www.shipindia.com → **Interface** → **Investor** → **Unclaimed Shares/ Dividend** → **Unpaid Dividend of FY 2020-21 as on 27.09.2021**

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 |
|--------------------------|--------------------------|--|------------------------------------|
| 69th AGM (FY 2018-19) | 25.09.2019, 15.30 hrs | Registered Office of the Company, Mumbai | Yes* |
| 70th AGM (FY 2019-20) | 18.09.2020, 15.30 hrs | Registered Office of the Company, Mumbai and also through Video Conferencing/ other Audio-Visual Means | No |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

| General Meetings | Date & Time | Venue | Special Resolutions passed thereat |
|--------------------------|--------------------------|--|------------------------------------|
| 71st AGM (FY 2020-21) | 26.08.2021, 15.30 hrs | Registered Office of the Company, Mumbai and also through Video Conferencing/ other Audio-Visual Means | No |

*At the 69th Annual General Meeting which was held on September 25, 2019 one Special 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 Quarterly Financial Results and Audited Annual Financial Results of the Company are published in the newspapers quarterly and yearly and are also made available on the Company's website. Results for the FY 2021-2022 were published in the following newspapers: | |
| Newspaper Publication | 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 SCI Website www.shipindia.com . | |
| No presentation was made to Institutional Investors or to the Analysts during the FY 2021-2022. | |
| Management Discussion and Analysis is forming a part of this Annual Report. | |

GENERAL SHAREHOLDER INFORMATION

| | |
|---|---|
| Annual General Meeting Date, Time & Venue: Wednesday, 28th September, 2022 at 12:00 at the Registered Office of the Company and also through Video conferencing VC/ OVAM. | |
| Financial Year | 01.04.2021 to 31.03.2022 |
| Book Closure Dates | 24.09.2022 to 28.09.2022 |
| Dividend | The Board has recommended dividend of Re.0.33/- 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. If approved by the Members, the same will be paid within 30 days from the date of its declaration. |
| Listing on Stock Exchanges: | |
| Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. [Stock Code: 523598] | National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Mumbai – 400 051. [Stock Code: SCI] |
| The Company has paid the Annual Listing Fees for the year 2021-2022 to the aforesaid Stock Exchanges within the stipulated time. | |
| WEBSITE: The SCI official website www.shipindia.com provides a separate section for the investors where the Shareholders can easily access all the relevant information related to the Company. | |
| DEMAT-ISIN Number -INE 109 A 01011 | |
| ADDRESS FOR CORRESPONDENCE/ REGISTRAR AND SHARE TRANSFER AGENTS Shareholders' correspondences should be addressed to the Company's Registrar and Share Transfer Agents at their following address: M/s. Bigshare Services Pvt. Ltd, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra, 400093. Tel: 022 62638200, Fax: 022 62638299, email: investor@bigshareonline.com Website: www.bigshareonline.com | |

SHARE TRANSFER SYSTEM

The Processing of share transfer are done by the Registrar and Transfer Agents and approved by the Share Transfer Committee of the Company duly authorized by the Board to approve the transfers pursuant to the Regulation 40(2) of the SEBI (LODR), Regulations, 2015 which are noted at the subsequent Board Meetings.

There are no pending share transfer requests as on 31st March 2022.

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 on 31st March 2022, 99.90% of the paid-up equity share capital, representing 46,53,35,686 shares were 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.

Revision in Credit Rating

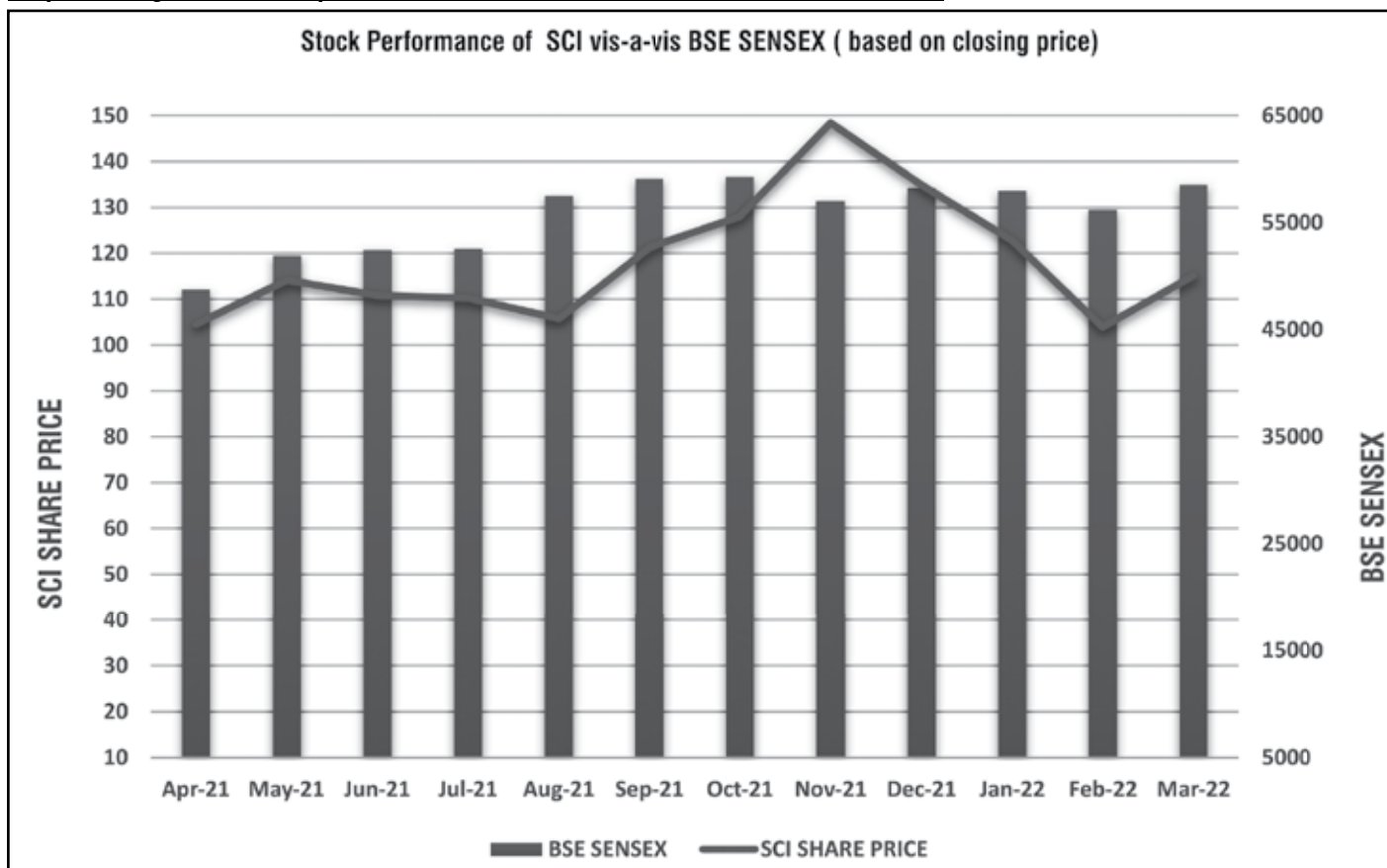
| | |
|--|---|
| (a) credit rating obtained in respect of various securities; | a) Rating is done for bank loan rating only, |
| (b) name of the credit rating agency; | b) The latest rating is by Acuite Ratings & Research |
| (c) date on which the credit rating was obtained; | c) published on 31st March, 2022 |
| (d) Current credit rating; | d) Reaffirmed as "AA" with rating outlook as "Stable" and the short-term Rating is also reaffirmed at the highest grade for the Corporation as "A1 +" |

STOCK PERFORMANCE ON BSE DURING THE FINANCIAL YEAR 2021-2022

| Months | Share Price on BSE | | SCI's Closing Price on BSE (Rs) | BSE SENSEX |
|----------------|--------------------|-----------|---------------------------------|------------|
| | High (Rs.) | Low (Rs.) | | |
| April 2021 | 117.90 | 97.00 | 104.55 | 48,782.36 |
| May 2021 | 125.50 | 94.00 | 114.15 | 51,937.44 |
| June 2021 | 118.90 | 106.60 | 110.85 | 52,482.71 |
| July 2021 | 117.95 | 105.90 | 110.25 | 52,586.84 |
| August 2021 | 113.75 | 93.10 | 105.80 | 57,552.39 |
| September 2021 | 123.95 | 104.40 | 121.30 | 59,126.36 |
| October 2021 | 145.45 | 120.60 | 128.00 | 59,306.93 |
| November 2021 | 154.30 | 128.00 | 148.40 | 57,064.87 |
| December 2021 | 160.20 | 129.65 | 134.90 | 58,253.82 |
| January 2022 | 147.40 | 117.55 | 122.80 | 58,014.17 |
| February 2022 | 135.75 | 100.00 | 103.95 | 56,247.28 |
| March 2022 | 126.60 | 101.50 | 115.15 | 58,568.51 |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

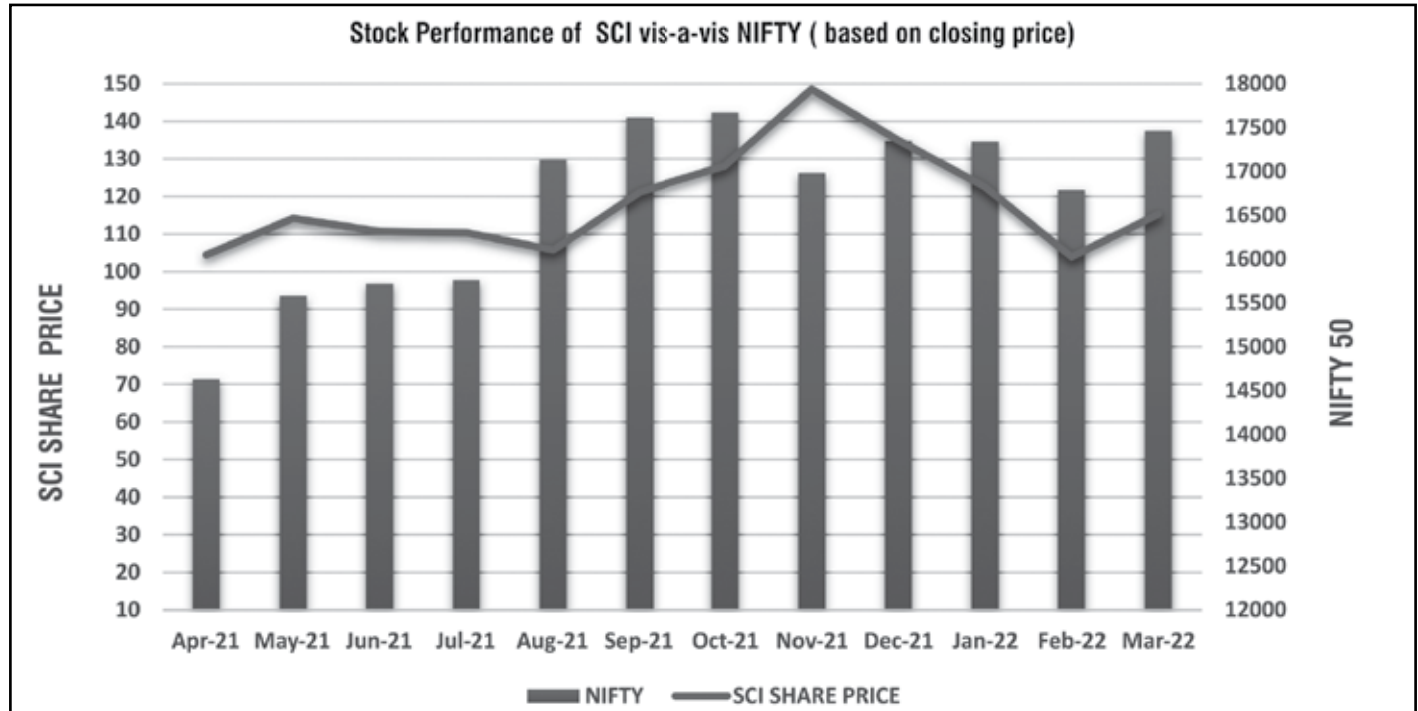


STOCK PERFORMANCE ON NSE DURING THE FINANCIAL YEAR 2021-2022

| Months | Share Price on BSE | | SCI's Closing Price on NSE (Rs) | NIFTY |
|----------------|--------------------|-----------|---------------------------------|----------|
| | High (Rs.) | Low (Rs.) | | |
| April 2021 | 118.00 | 97.00 | 104.45 | 14631.10 |
| May 2021 | 125.50 | 102.00 | 114.15 | 15582.80 |
| June 2021 | 118.85 | 106.45 | 110.70 | 15721.50 |
| July 2021 | 118.00 | 105.75 | 110.40 | 15763.05 |
| August 2021 | 113.80 | 93.15 | 105.80 | 17132.20 |
| September 2021 | 124.00 | 104.55 | 121.25 | 17618.15 |
| October 2021 | 145.50 | 120.45 | 128.15 | 17671.65 |
| November 2021 | 154.35 | 128.05 | 148.60 | 16983.20 |
| December 2021 | 160.20 | 129.70 | 134.95 | 17354.05 |
| January 2022 | 147.25 | 117.60 | 122.60 | 17339.85 |
| February 2022 | 135.85 | 100.00 | 103.95 | 16793.90 |
| March 2022 | 126.50 | 103.05 | 115.35 | 17464.75 |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

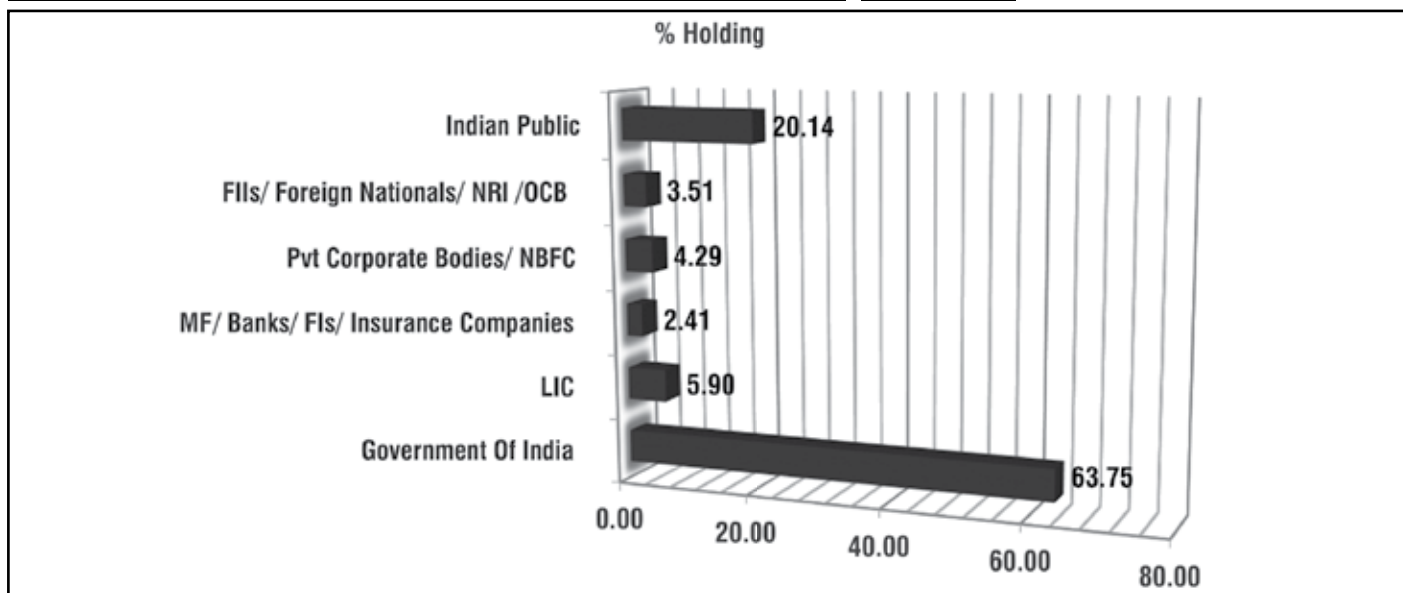


DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH, 2022.

| CATEGORY | DEMAT | | PHYSICAL | | TOTAL | | % TO (A) | |
|---------------|---------------|------------------|-----------|---------------|---------------|----------------------|---------------|---------------|
| | FOLIOS | SHARES | FOLIOS | SHARES | FOLIO | SHARES | FOLIOS | SHARES |
| 1 – 500 | 172,174 | 20,159,433 | 66 | 9,124 | 172,240 | 20,168,557 | 89.18 | 4.76 |
| 501 – 1000 | 10,548 | 8,544,643 | 4 | 3,300 | 10,552 | 8,547,943 | 5.43 | 1.9 |
| 1001 – 2000 | 5,237 | 7,989,906 | 1 | 1,200 | 5,238 | 7,991,106 | 2.63 | 1.74 |
| 2001 – 3000 | 1,973 | 5,106,380 | 0 | 0 | 1,973 | 5,106,380 | 0.9 | 0.99 |
| 3001 – 4000 | 908 | 3,297,902 | 0 | 0 | 908 | 3,297,902 | 0.41 | 0.64 |
| 4001 – 5000 | 821 | 3,904,275 | 0 | 0 | 821 | 3,904,275 | 0.36 | 0.74 |
| 5001 – 10000 | 1,242 | 9,235,849 | 0 | 0 | 1,242 | 9,235,849 | 0.57 | 1.82 |
| 10001 & above | 1,139 | 407,097,298 | 5 | 449,700 | 1,144 | 407,546,998 | 0.52 | 87.41 |
| TOTAL | 194042 | 465335686 | 76 | 463324 | 194118 | 465799010 (A) | 100.00 | 100.00 |

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

DISTRIBUTION OF SHAREHOLDING BY PERCENTAGE OF OWNERSHIP AS ON 31ST MARCH, 2022



DIRECTORS REMUNERATION DURING THE FY 2021-22

| Name of Directors | Consolidated Salary | Perquisites, Allowances and other benefits | Post Retirement Benefit (Post-Retirement Medical Scheme) | Performance Linked Incentives | Sitting Fees | Total |
|-----------------------------------|---------------------|--|--|-------------------------------|------------------|--------------------|
| Smt. Harjeet Kaur Joshi* | 51,61,656 | 9,90,302 | 1,45,193 | - | - | 62,97,152 |
| Shri Rajesh Sood** | 2,90,987 | 66,645 | 9,316 | - | - | 3,66,948 |
| Shri Atul Ubale | 39,26,856 | 7,87,779 | 1,12,511 | - | - | 48,27,145 |
| Capt. B.K. Tyagi | 38,76,245 | 7,34,843 | 1,08,710 | - | - | 47,19,798 |
| Shri P.K. Gangopadhyay*** | 22,48,543 | 3,90,532 | 57,507 | - | - | 26,96,582 |
| CA Mavjibhai B Sorathia\$ | - | - | - | - | 2,60,000 | 2,60,000 |
| Shri Vijay Tulshiramji Jadhao\$\$ | - | - | - | - | 1,40,000 | 1,40,000 |
| Shri Pramod Kumar Panda | - | - | - | - | 4,60,000 | 4,60,000 |
| Shri Gulabbhai Rohit | - | - | - | - | 80,000 | 80,000 |
| Dr. Anil Kumar Misra | - | - | - | - | 80,000 | 80,000 |
| Ms. Arunima Dwivedi | - | - | - | - | 1,00,000 | 1,00,000 |
| Shri Shreekant Pattar | - | - | - | - | 60,000 | 60,000 |
| Shri KNP Chakravarthy | - | - | - | - | 60,000 | 60,000 |
| TOTAL | 1,55,04,288 | 29,70,101 | 4,33,238 | - | 12,40,000 | 2,01,47,626 |

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.

*Smt. H.K. Joshi ceased to be on the Board of SCI w.e.f. 01.06.2022

**Shri Rajesh Sood ceased to be on the Board of SCI w.e.f. 01.05.2021

***Shri P.K. Gangopadhyay was appointed on the Board of SCI w.e.f. 07.09.2021

\$Shri Vijay Jadhao ceased to be on Board of SCI w.e.f. 03.07.2021.

\$\$CA Mavjibhai Sorathia ceased to be on the Board of SCI w.e.f. 17.12.2021

\$\$\$Shri Gulabbhai Rohit was appointed on the Board of SCI w.e.f. 22.11.2021

\$\$\$\$Dr. Anil Kumar Misra, Ms. Arunima Dwivedi, Shri Shreekant Pattar and Shri KNP Chakravarthy was appointed on the Board of SCI w.e.f. 07.12.2021

In FY 2021-22, the sitting fees paid for independent directors was 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), CIN – U61100WB2016GOI217822, which was incorporated on 29.09.2016, is the wholly owned subsidiary of your Company. As per Ministry of Ports, Shipping and Waterways, Inland Waterways Transport (IWT) Division letter dated 27.10.2020, approval was accorded to IWAI for handing over three vessels i.e. (i) M.V. Rabindra Nath Tagore, (ii) M.V. Lal Bahadur Shastri and (iii) M.V. Homi Bhabha to SCI. M/s Inland & Coastal Shipping Limited (ICSL), a wholly owned subsidiary of SCI took over MV RN Tagore on 22.01.2021 and MV Lal Bahadur Shastri on 26.02.2021 under the MOU signed with Inland Waterways Authority of India (IWAI) for operation and management of three cargo vessels. Third vessel MV Homi Bhabha is presently non-operational and will be taken over by ICSL after she is made operational by IWAI. MV R. N. Tagore and MV Lal Bahadur Shastri are presently operating on NW1.

Further, the Company has incorporated a Wholly Owned Subsidiary in the name and style of "Shipping Corporation of India Land and Assets Limited" with CIN- U70109MH2021GOI371256 on 10th November, 2021 pursuant to the approval of the Board of Directors based on the concurrence given by the Ministry of Ports, Shipping and Waterways and NITI Aayog for Hiving-off the Non-Core Assets of the Company as a part of Demerger under SCI's Strategic Disinvestment process undertaken by the Government of India. The Company is non-operational as on date of this report.

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. It may be noted that effective from 01.04.2021 till 06.12.2021, SCI was non-compliant with provisions of regulation 17(1) of SEBI (LODR) Regulation, 2015 i.e. not having requisite number of Independent Directors on the Board and also non-compliant with the requirement of having at least One Woman Independent Director on the Board.

The BSE and NSE had, during the financial year 2021-22, levied penalties on the Company for the non-compliance of provisions of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 for the Quarter ending June 2021, September 2021 and December 2021. In this regard, The Company requested the Stock Exchanges for waiver of the penalties levied. In response, the BSE waived off the penalties levied for Quarter ended September 2018, December 2018, June 2019, September 2019, June 2020, September 2020 and December 2020 with respect to Non-Compliance of Regulation 17 (1) of the SEBI (LODR) Regulations, 2015. Whereas, NSE waived off the penalties levied for quarter ended September 2018, December, 2018, June, 2019 and September, 2019 and further NSE also directed to first ensure the Compliance and then file the request for waiver of penalty.

SCI is the Navratna Public Sector Undertaking (PSU), hence the Ministry of Ports, Shipping and Waterways nominates Directors on Board of SCI. The company has to follow the policies of the Ministry of Ports, Shipping and Waterways. The matter regarding appointment of requisite number of Independent Directors have been taken up regularly with the Administrative Ministry.

It may further be noted that such non-compliance is not due to any negligence/default of the Company.

Further, the Ministry vide letter dated 22nd November, 2021 had conveyed the appointment of below mentioned five (5) Non – official Part-time (Independent) Directors on the Board of SCI for a period of 3 years from the date of appointment or until further orders, whichever is earlier. 1) Shri KNP Chakravarthy, 2) Shri Gulabbhai Rohit, 3) Ms. Arunima Dwiwedi, 4) Shri Shreekant Pattar, 5) Dr. Anil Kumar Misra.

Pursuant to the fresh appointment of 5 Non- official Part-time (Independent) Directors the Company was compliant with requirement of Board Composition as per SEBI LODR Regulations with effect from 07.12.2021 till 18.05.2022. On appointment of Shri Vikram Dingley as Director (T&OS) on 19.05.2022, the Company was again non-compliant with the requirements of Regulation 17 of SEBI (LODR) Regulations,

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

2015 and DPE Guidelines till 31.05.2022. Thereafter on 01.06.2022 Smt. H.K. Joshi ceased to be the Chairperson and Managing Director (CMD) of the company consequent to her Superannuation. After cessation of Smt. H. K. Joshi, the company was then compliant with the requirements of SEBI (LODR) Regulation 2015 and DPE guidelines till 12.06.2022. Subsequently, Shri C.I. Acharya was appointed as Director (Finance) of the company with effect from 13.06.2022 after which the Company had 5 Functional Directors, 2 Government Nominee Directors and 6 Independent Directors due to which company does not comply with the requirements of Regulation 17 of SEBI (LODR) Regulation, 2015. The Matter was taken up with the Ministry vide letters dated 20.05.2022 and 22.06.2022 with a request to appoint requisite number of Independent Directors on the Board of Company. Accordingly, the Company vide letter dated 09.12.2021, 22.02.2022 and 17.06.2022 requested the Stock Exchanges to waive off all penalties levied till date for the Non-Compliance of Regulation 17 of the SEBI (LODR) Regulation, 2015 stating that it is the Administrative Ministry which nominates Directors on the Board of the Company. In response, NSE vide email dated 19.07.2022 stated that the application for waiver of fines will be considered only after the applicant company ensures Compliance and then files request for waiver along with the processing fees of Rs. 10,000 plus 18% GST per application. The application for waiver is to be submitted at all the exchanges where the fines have been levied. However, the processing fees are to be submitted only to the Designated Exchange.

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 2021-2022.

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

| Particulars | Numbers |
|---|---------|
| Number of complaints pending as on 01.04.2021 | Nil |
| Number of complaints filed during the financial year | Nil |
| Number of complaints disposed off during the financial year | Nil |
| Number of complaints pending as on 31.03.2022 | Nil |

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. The Company Secretary has been appointed as the Compliance Officer cum Chief Investor Relations Officer for the implementation of the said code. 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 statement. The policy is available on the Company's website www.shipindia.com → About SCI → Policies. All the Related Party Transactions are placed before the Audit Committee for their approval.

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, AND 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 crs, an amount of Rs.196.80 crs has been utilized till date as under:

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

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

This 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. Your company always complies with RTI Act. Detailed information on RTI is hosted on SCI Website under following link <http://shipindia.com/rti/rtipage/rti-act-2005> and updated the same from time to time as per the guidelines received from concerned authority. Shri S.R. Bandekar, GM (B&T) was the Public Information Officer (PIO) for the year 2021-22, to deal with queries received from the Indian Citizens under RTI. Presently as on date, Mrs. Soma Tandon, DGM (IT) has been appointed as Public Information Officer for RTI.

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

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

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

B. Key Managerial Personnel

Shri Dipankar Haldar has ceased to be the Company Secretary and Compliance Officer of the Company on 01.02.2022.

Further, the Board of Directors at their Meeting held on 31.01.2022 have appointed Smt Swapnita Vikas Yadav, a qualified Company Secretary bearing ACS Number – 64626 as the new Company Secretary and Compliance Officer of the Company with effect from 01.02.2022.

Shri Rajesh Sood, Director (Technical & Offshore Services) completed his tenure on the Board of the Company consequent to his superannuation on 30.04.2021.

Shri Prabir Kumar Gangopadhyay was appointed by the Ministry of Ports, Shipping and Waterways as a Whole-Time Director (Personnel and Administration) w.e.f 07.09.2021.

Smt. H. K. Joshi, Chairperson and Managing Director of the Company completed her tenure on the Board of the Company consequent to her superannuation on 01.06.2022. Further, Shri Atul Ubale vide Ministry letter dated 27.05.2022 has been given the additional charge of the position of Chairperson and Managing Director of the Company w.e.f., 01.06.2022. He was also holding Additional charge of the post of Director (Finance) from 01.06.2022 to 12.06.2022.

Shri Vikram Dingley was appointed by the Ministry of Ports, Shipping and Waterways as Director (Technical & Offshore Services) w.e.f 19.05.2022.

Shri C.I Acharya was appointed by the Ministry of Ports, Shipping and Waterways as Director (Finance) w.e.f 13.06.2022.

Shri Lawrence Serrao ceased to be the Chief Financial Officer of the Company w.e.f 13.06.2022. Consequently, Shri Subramanya Prakash is appointed as the Chief Financial Officer of the Company w.e.f 05.08.2022.

C. Shareholder Rights - Declaration of financial performance

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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.

D. 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.

E. 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.

F. 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 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. Whistle Blower Policy was reviewed by the Audit Committee at its meeting held on 31.01.2022.

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 2021-2022.

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 or in accordance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
2. 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
3. There are no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.
4. The office and administration expenses as a percentage of total expenses are 6.17% in FY 2021-2022 as against 7.96% in FY 2020-21.
5. The finance expenses as a percentage of total expenses is 3.70% in FY 2021-22 as against 0.66% in FY 2020-21.

ANNEXURES

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

For and on behalf of the Board of Directors

Place: Mumbai

Shri Atul Ubale

Dated: 05.08.2022

Chairman and Managing Director Additional Charge & Director (B&T)

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

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

It is hereby affirmed that all the Directors & Senior Management personnel have complied with the Code of Conduct for the financial year 2021-2022 and a confirmation to this effect has been obtained from the Directors & Senior Management personnel.

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai

Shri Atul Ubale

Dated: 05.08.2022

Chairman and Managing Director Additional Charge & Director (B&T)

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2022

[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,
Madam 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, 2022 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, 2022 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 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (vi) The following Acts / Guidelines specifically applicable to the Company:
 - (a) Merchant Shipping Act, 1958;
 - (b) International Safety Management Code (ISM);
 - (c) 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 of Capital and Disclosure Requirements) Regulations, 2018;
- b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- e) 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;
- b) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as issued by the Department of Public Enterprises, Government of India ('DPE Guidelines'); and

FORM MR3 SECRETARIAL AUDIT REPORT

c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement entered into by the Corporation with Stock Exchanges.

During the period under review, the Corporation has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- An Independent Woman Director on the Board as required under Regulation 17(1)(a) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 during the period 01/04/2021 to 06/12/2021.
- Requisite number of Independent Directors on the Board as required under Section 149(4) of the Act and Regulation 17(1)(b) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 during the period 01/04/2021 till 06/12/2021.

It was clarified by the Corporation that the matter was being pursued with the concerned Administrative Ministry that is the Ministry of Ports, Shipping and Waterways, for appointment of required number of Independent Directors and one Woman Independent Director 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 concerned Administrative Ministry vide its letter dated 22/11/2021 had conveyed the appointments of 5 Non-Executive Independent Directors including one Woman Independent Director. Consequently, the Corporation is compliant with the provisions of Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – composition of the Board of Directors with effect from 07.12.2021.

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 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to observations made hereinabove.
- 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 the 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 chairperson and confirmed by the management, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

- (1) The Corporation has initiated the process of Demerging of its Non-Core assets into Shipping Corporation of India Land and Assets Limited ("Resulting Company").

UDIN: F002727D000584715

Peer Review Certificate No: 1882/2022

Place: Mumbai

Date: 07/07/2022

(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.



SECRETARIAL AUDIT REPORT

25th May, 2022

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

Dear Sir/Madam,

Annual Secretarial Compliance Report for the Financial Year 2021-22

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.

My 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.

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

REG 24 ANNUAL SECRETARIAL COMPLIANCE

**SECRETARIAL COMPLIANCE REPORT
OF
SHIPPING CORPORATION OF INDIA LIMITED
L63030MH1950GOI008033
FOR THE YEAR ENDED 31.03.2022**

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, 2022 (“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 the Company has not issued any specified/ designated security 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 and Sweat Equity) Regulations, 2021 - [Not Applicable since there was no reportable event during the year under review];
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [Not Applicable since there was no reportable event during the year under review];
- (g) 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 |
|---------|--|--|---|
| | Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – composition of the Board of Directors. | <ul style="list-style-type: none"> a) Company does not have an Independent Woman Director on the Board for a period from 01.04.2021 to 06.12.2021. b) Company does not have requisite number of Independent Directors on the Board for a period from 01.04.2021 to 06.12.2021. | <p>As represented by the Management, SCI had pursued the matter with the Administrative Ministry for appointing requisite number of Independent Directors and one Independent Woman Director within the period prescribed under Section 149 of the Companies Act, 2013 and Reg. 25(6) of the SEBI (LODR) Reg. 2015.</p> <p>Further, vide letter dated 22.11.2021. the Ministry of Ports, Shipping and Waterways had conveyed the appointment of 5 Non- Executive Independent Directors including one Woman Independent Director on the Board of SCI. Consequently, the listed Entity is compliant with the provisions of Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – composition of the Board of Directors w.e.f. 07.12.2021.</p> |

REG 24 ANNUAL SECRETARIAL COMPLIANCE

- (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:

| 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 (NSE) | Regulation 17(1) (a) and (b) of SEBI (LODR) Reg. 2015 for not having required number of Independent Directors. | SCI has received letters dated 20/08/2021, 22/11/2021, and 21/02/2022 from National Stock Exchange of India Ltd. and letters dated 20/08/2021, 22/11/2021, and 21/02/2022 from BSE Ltd., levying penalty for non-compliance of the provisions of Reg. 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 [for not having required number of Independent Directors on the Board and not having Woman Independent Director on the Board] | The Company has requested the BSE and NSE for waiver of penalty as SCI being a Central Public Sector Enterprise, the appointment of the Director is done on the basis of nominations received from the Administrative Ministry i.e. the Ministry of Ports, Shipping and Waterways (MoPSW). Response from BSE for waiver of penalty against their letter dated 20/08/2021, 22/11/2021 and 21/02/2022 is still awaited. NSE in response to the Company's request of waiver, had directed to first ensure compliance and then submit the request for waiver. Further, the listed entity is compliant with the provisions of Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – composition of the Board of Directors w.e.f. 07.12.2021 and the Company has filed the request for waiver of penalties levied by BSE/NSE till date. However, the response from the Exchanges is still awaited. |

- (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 31/03/2020 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|--|--|---|
| 1) | Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – composition of the Board of Directors. | -- | As represented by the Management, the listed entity had pursued the matter with the Administrative Ministry for appointing requisite number of Independent directors and one Independent Woman Director within the period prescribed under Section 149 of the Companies Act, 2013 and Reg. 25(6) of the SEBI (LODR) Reg. 2015. Further, vide letter dated 23.11.2021. the Ministry of Ports, Shipping and Waterways had conveyed the appointment of 5 Non Official Independent Directors including one Woman Independent Director on the Board of SCI. Consequently, the listed Entity is compliant with the provisions of Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015 – composition of the Board of Directors w.e.f. 07.12.2021. | Listing entity being a PSU, is dependent on the Ministry of Ports, Shipping and Waterways (MoPSW) for appointment of Directors. With effect from 07/12/2021 the Company has complied with Reg. 17(1)(a) and (b) by appointing requisite number of independent directors and woman independent director. |

UDIN : F002727D000430176

Place : MUMBAI

Date : 30/05/2022

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

REG 34 (3) LODR CERTIFICATE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C sub-clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
The Shipping Corporation of India Limited,
Shipping House,
Madam Cama Road, Nariman Point,
Mumbai 400 021

I have examined the relevant 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 at the portal www.mca.gov.in) 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, 2022 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such Statutory Authority:

| 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 Vikram Singh | 09191857 | Non Executive Director (Part Time Ex-Officio) | 02/06/2021 |
| 4) | Shri. Atul Ubale | 08630613 | Whole-time Director | 05/12/2019 |
| 5) | Capt Binesh Kumar Tyagi | 08966904 | Whole-time Director | 07/01/2021 |
| 6) | Shri Prabir Kumar Gangopadhyay | 09310988 | Whole-time Director | 07/09/2021 |
| 7) | Shri. Pramod Kumar Panda | 08150489 | Independent Director | 18/10/2019 |
| 8) | Shri Gulabbhai Lakhubhai Rohit | 08916645 | Independent Director | 22/11/2021 |
| 9) | Shri Nageswara Pramod Chakravarthy Kalla | 09427415 | Independent Director | 07/12/2021 |
| 10) | Shri Anil Kumar Misra | 09427416 | Independent Director | 07/12/2021 |
| 11) | Ms. Arunima Dwivedi | 09427417 | Independent Director | 07/12/2021 |
| 12) | Shri Shreekant Tejappa Pattar | 09427418 | Independent Director | 07/12/2021 |

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: F002727D000584858

Place: MUMBAI

Date: 07/07/2022

**(UPENDRA C. SHUKLA)
COMPANY SECRETARY**

FCS: 2727/CP No: 1654



INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

Independent Auditor's Certificate on Compliance with the 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 statutory audit engagement for Financial Year 21-22.
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, 2022 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, 2022, except for the following:

The Company has not complied with the requirement of Regulation 17(1)(a) and 17(1)(b) of the Listing Regulations with regard to the composition of at least 50% Independent Directors and appointment of Women Independent Director during the period of 01st April 2021 to 06th December 2021.

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

FRN: 109208W

CA G.Sankar

Partner

Membership No.046050

22046050AONJS3307

Place: Mumbai

Date: 08th August, 2022

For CHOKSHI & CHOKSHI LLP,

Chartered Accountants

FRN: 101872W/W100045

CA Kiran Bhoir

Partner

Membership No.159960

22159960AOMXWH6744

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 2022

The preparation of Standalone Financial Statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2022 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 06 May 2022.

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 2022 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: 04 August 2022**

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 2022

The preparation of Consolidated Financial Statements of The Shipping Corporation of India Limited, Mumbai for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 06 May 2022.

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 2022 under Section 143(6) (a) read with section 129(4) of the Act. We conducted a Supplementary Audit of the Financial Statements of The Shipping Corporation of India Limited, Inland & Coastal Shipping Limited but did not conduct Supplementary Audit of the Financial Statements of Shipping Corporation of India Land and Assets 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: 04 August 2022**

INDEPENDENT AUDITOR'S REPORT

To the Members of

The Shipping Corporation of India Limited

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying Standalone Financial Statements of The Shipping Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 then ended, and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 of the Standalone Financial Statements 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 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 Financial Statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone 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 Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone 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>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. |

| 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.</p> <p>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. • Assessing the reasonableness of fair value of vessel considered by the management by comparing the same with the valuations provided by external professional valuers. |
| 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 on the revenue and collection of funds.</p> <ul style="list-style-type: none"> • The Company has 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 Standalone Financial Statements:

1. Note no. 41 on the matter continued since FY 2014-15 regarding payment of Performance Related Pay (PRP) of Rs.1,103 lakhs vis-a-vis DPE guidelines with respect to computation of profits from core activities and non-observance of "Bell Curve". The Company is pursuing the matter with the Ministry of Ports, Shipping and Waterways for resolution and final decision.
2. Note no. 44(a) regarding selection of the Company for Strategic Disinvestment process by the Government of India. The disinvestment process and the procedural aspects in relation to the same are in progress.
3. Note no. 44(b) regarding the status of implementation of the demerger scheme for hiving off the identified non-core assets of SCI to SCILAL and the management representation that considering the direction from the Ministry of Ports, Shipping and Waterways to SCI from time to time including re-iteration dated 22.04.2022 to expedite the process of demerger and certainty of completion of the same in the near future, the necessary disclosures and continued accounting effects considered in the financial statements, has been relied upon.
4. Note no. 45 regarding the practice of seeking balance confirmations in respect of Trade receivables, Trade payables and Deposits, the process of reconciliation and the management's assertion that it would not have any material difference affecting the financial results.

Our opinion is not modified in respect of these matters.

Other Information

The Company's Board of Directors are 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 Financial Statements, and our auditor's report thereon.

Our opinion on the Standalone 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained 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 Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Financial Statements.

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

- identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current 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.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("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.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our

INDEPENDENT AUDITOR'S REPORT

examination of those books;

- c. 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;
- d. In our opinion, the aforesaid Standalone 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 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").
- f. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- g. 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.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 28 to the Standalone Financial Statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material

foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. As stated in Note 47 to the standalone financial statements - The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

- (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
FRN: 109208W
CA G.Sankar
Partner
Membership No.46050
UDIN: 22046050AINEER5377
Place: Mumbai
Date: 06.05.2022

For CHOKSHI & CHOKSHI LLP,
Chartered Accountants
FRN: 101872W/W100045
CA Kiran Bhoir
Partner
Membership No.159960
UDIN: 22159960AINFJF2872

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 Financial Statements for the year ended March 31, 2022]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone 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) As per the information and explanations given to us,
- (A) the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use assets.
- (B) the Company has maintained proper records showing full particulars of intangible assets;
- (b) As per the information and explanations given to us, the Property, Plant and Equipment and Right of Use 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. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (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.

| Land/ Building* | Total number of Flats / Garage | Leasehold/ Freehold/ Tittle deeds | Gross Block as on March 31, 2022 | Net Block as on March 31, 2022 | Remarks |
|-----------------------|--------------------------------|-----------------------------------|----------------------------------|--------------------------------|---------------------------------------|
| GONDAVALI APTS | 10 | Not Available | 18.79 | 7.52 | Share certificates are available. |
| CHITRAKOOT APTS | 02 | Not Available | 4.56 | 0.71 | Share certificates are available. |
| KAVITA APTS | 1 | Not Available | 2.62 | 1.05 | Share certificates are available. |
| LANDS END APTS | 1 | Not Available | 2.76 | 0.51 | Share certificates are available. |
| AJANTA APTS | 1 | Not Available | 2.35 | 0.94 | Share certificates are available. |
| RAJHANS APTS | 1 | Not Available | 1.47 | 0.12 | Share certificates are available. |
| SOMMERSET HOUSE | 1 | Not Available | 4.20 | 0.77 | 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 | 0.02 | Share certificates are not available. |
| VIJAY APTS (Garage) | 3 | Not Available | 0.70 | 0.21 | Share certificates are not available. |

*All the above mentioned immovable assets are to be transferred to Shipping Corporation Of India Land and Assets Limited pursuant to the proposed demerger scheme.

- (d) As per the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly reporting under clause 3 (i) (d) of the order is not applicable to the Company.
- (e) As per the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly reporting under clause 3 (i) (e) of the order is not applicable to the Company.
- (ii)
- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and the coverage and procedure of such verification by the management is adequate. In our opinion, the Company is maintaining proper records and no material discrepancies were noticed on physical verification of inventory during the year.
- (b) In our opinion and according to the information and explanation given to us, the Company has availed unsecured working capital limits in excess of five crore rupees from Banks. The returns or statements filed by the Company with banks as per sanction terms, are in

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

agreement with the books of accounts of the Company.

- (iii) The Company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties as per details mentioned below:

a. DETAILS OF GUARANTEE, SECURITY, LOAN AND ADVANCES IN NATURE OF LOANS

(Amount Rs.in lakhs)

| Particulars | Guarantees | Security | Loans | Advances in nature of loans |
|---|------------|----------|-----------|-----------------------------|
| Aggregate amount granted/ provided during the year | | | | |
| - Subsidiaries | Nil | Nil | 50.00 | Nil |
| - Joint Ventures | Nil | Nil | Nil | Nil |
| - Associates | Nil | Nil | Nil | Nil |
| - Others | Nil | Nil | 315.97 | Nil |
| Balance outstanding as at balance sheet date in respect of above cases: | | | | |
| - Subsidiaries | Nil | Nil | 50.00 | Nil |
| - Joint Ventures | 5,430.00 | Nil | 18,540.00 | Nil |
| - Associates | Nil | Nil | Nil | Nil |
| - Others | Nil | Nil | 2,398.91 | Nil |

- b. The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided are not prejudicial to the company's interest.
- c. In our opinion and according to the information and explanations given to us, in respect of loans the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular. According to the information and explanations given to us, there are no advances in the nature of loans, during the year.
- In our opinion and according to the information and explanations given to us, there are no overdue amounts for more than ninety days.
- e. In our opinion and according to the information and explanation given to us, the Company has not granted any any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. The Company has granted loans either repayable on demand or without specifying any terms or period of repayments, details for which have been mentioned below –

(Amount Rs.in lakhs)

| Particulars | All Parties | Promoters | Related Parties | |
|--|-------------|------------|--|--|
| | | | Joint Venture | Subsidiary |
| Aggregate amount of loans/ advances in nature of loans: | | | | |
| - Repayable on demand (A) | Nil | Nil | 18,540.00 | 50.00 |
| - Agreement does not specify any terms or period of repayment (B) | Nil | Nil | Nil (Repayable on demand as per agreement.) | (Repayable on demand. Agreement not executed.) |
| Total (A+B) | Nil | Nil | 18,540.00 | 50.00 |
| Percentage of loans/ advances in nature of loans to the total loans | Nil | Nil | 99.73 | 0.27 |

- (iv) Based on information and explanation given to us, since the Company has not advanced loans to the Directors/ to a Company in which the Directors are interested, 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 nor amounts which are deemed to be deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Therefore, clause 3(v) of the Order is not applicable to the Company.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(vi) The Central Government has not prescribed the maintenance of cost records for any of the business activities carried out by the Company under sub-section (1) of section 148 of the Act and the rules framed there under. Therefore, clause 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 Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it, which 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, statutory dues referred to in sub-clause (a) above which have not been deposited at the year-end on account of disputes, are as follows:

(Amount Rs. 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 June 2017 | 1,93,834.11 | 3,205.05 | 1,90,629.06 |
| Finance Act, 1994 | Service Tax | Commissioner (Appeals) | Oct 12 to Mar 13 | 479.86 | 13.03 | 466.83 |
| Finance Act, 1994 | Service Tax | Joint Commissioner, LTU | Oct 15 to Jun 17 | 472.33 | 18.00 | 454.33 |
| AP VAT Act, 2005 | VAT | CTO | FY 2011-12 | 10.00 | Nil | 10.00 |
| Sales Tax | VAT | Bombay High Court/ Asst Comm(GVAT) | FY 1993-94, FY 1994-95 & FY 2017-18 | 215.64 | 95.00* | 120.64 |
| Income Tax Act, 1961 | U/s 195 | Bombay High Court | FY 2003-04 to FY 2005-06 | 9,820.00 | Nil | 9,820.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | Bombay High Court | FY 2004-05 | 1,804.00 | Nil | 1,804.00 |
| Income Tax Act, 1961 | Tax U/s 147 | Bombay High Court | FY 2005-06 | 1,619.00 | Nil | 1,619.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | Bombay High Court | FY 2006-07 | 2,883.97 | Nil | 2,883.97 |
| Income Tax Act, 1961 | Tax U/s 143(3) | ITAT Mumbai | FY 2007-08 | 1,010.34 | Nil | 1,010.34 |
| Income Tax Act, 1961 | Tax U/s 143(3) | Bombay High Court | FY 2008-09 | 104.00 | Nil | 104.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | ITAT Mumbai/ CIT (A) | FY 2009-10 | 2,523.15 | Nil | 2,523.15 |
| Income Tax Act, 1961 | Tax U/s 201(1) 201(1A) | CIT(A) Mumbai | FY 2010-11 | 2,170.00 | 109.00 | 2,061.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | CIT(A) Mumbai | FY 2011-12 | 186.00 | Nil | 186.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | CIT(A) Mumbai | FY 2012-13 # | 1,004.00 | Nil | 1,004.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | CIT(A) Mumbai | FY 2014-15 | 4,991.00 | 851.00 | 4,140.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | CIT(A) Mumbai | FY 2015-16 # | 2,349.00 | Nil | 2,349.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | CIT(A) Mumbai | FY 2016-17 # | 2,368.00 | Nil | 2,368.00 |
| Income Tax Act, 1961 | Tax U/s 143(3) | CIT(A) Mumbai | FY 2018-19 # | 31,115.00 | Nil | 31,115.00 |

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Refer Note No.28 for further details.

- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) According to the information and explanations given to us,
- (a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) the Company has not been declared willful defaulter by any bank or financial institution or other lender.
 - (c) the Company has applied the term loans for the purpose for which the loans were obtained.
 - (d) the Company has not utilised the funds raised on short term basis for long term purposes.
 - (e) the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, and joint ventures and hence reporting under clause 3(ix)(e) is not applicable.
 - (f) the Company has not raised loans on the pledge of securities held in its subsidiaries and joint ventures during the year and hence reporting under clause 3(ix)(f) is not applicable.
- (x)
- (a) 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.
 - (b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi)
- (a) 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, noticed or reported during the year, nor have we been informed of any such instance by the management.
 - (b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) According to the information and explanations, given to us the Company has not received any whistle-blower complaints during the year.
- (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) (a), (b) and (c) of the Order are 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 Financial Statements as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports for the year under audit, issued to the Company and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, 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)
- (a) 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 and therefore, paragraph 3(xvi) (a) of the Order is not applicable to the Company.
 - (b) According to the information and explanation given to us, there are no Non-Banking Financial or Housing Finance activities and therefore, paragraph 3(xvi) (b) of the Order is not applicable to the Company.
 - (c) According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and therefore, paragraph 3(xvi) (c) of the Order is not applicable to the Company.
 - (d) According to the information and explanation given to us, the Group does not have any CIC as part of the Group and hence clause 3(xvi)(d) of the order is not applicable to the Company.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

- (xvii) On an overall examination of the financial statements and in our opinion, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) During the year there has not been any resignation of the statutory auditors and therefore, paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)
- (a) There are no unspent amounts as on 31 March, 2022 that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 26(b) to the financial statements.
- (b) According to the information and explanations given to us, any amount remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

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

CA G. Sankar
Partner
Membership No.46050
UDIN: 22046050AINEER5377

For CHOKSHI & CHOKSHI LLP,
Chartered Accountants
FRN: 101872W/W100045

CA Kiran Bhoir
Partner
Membership No.159960
UDIN: 22159960AINFJF2872

Place: Mumbai
Date: 06.05.2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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 Financial Statements for the year ended March 31, 2022]

Report on the Internal Financial Controls with reference to Standalone 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 Standalone Financial Statements of The Shipping Corporation of India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone 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.



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, and to the best of our information and according to explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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.

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

CA G. Sankar
Partner
Membership No.46050
UDIN: 22046050AINEER5377

For CHOKSHI & CHOKSHI LLP,
Chartered Accountants
FRN: 101872W/W100045

CA Kiran Bhoir
Partner
Membership No.159960
UDIN: 22159960AINFJF2872

Place: Mumbai

Date: 06.05.2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE 3 TO THE INDEPENDENT AUDITOR'S REPORT

Annexure 3(a) - Directions under Section 143(5) of the Companies Act, 2013

On the accounts of The Shipping Corporation of India Limited for the financial year 2021-22

| 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 and other major operating software's such as Danaos, Afsys etc. All these software's are integrated with each other and 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 observed during the course of audit and explained to us, 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. | <p>As observed during the course of audit and explained to us, the Company has received two subsidies in earlier years, status of the same is as follows:-</p> <p>a) During the financial year 2020-21, the Company has received subsidy amounting to Rs.21.10 crores for carrying out Cargo Shipping Service between India and Maldives and out of the above, an amount of Rs. 8.03 crores has been utilised as per the terms and conditions specified in the sanction letter dated 10.08.2020.</p> <p>Further, the unutilized amount of Rs. 13.07 crores has been disclosed as liability after adjusting the expenses net of income against the subsidy amount as on 31.03.2022. The balance amount is placed in Fixed Deposit and Interest earned against such deposit will be remitted to the Consolidated Fund of India after finalisation of accounts. Also, the same is in compliance with the provisions of Ind AS 20 Government Grants.</p> <p>b) Related to Myanmar Service, the Company has accounted and utilised the grant as per its terms and conditions and the amount spent in excess of the grant amounting to Rs.4.67 crores is shown as receivable and provision for doubtful advances is created on the same.</p> | <p>Impact</p> <p>No Impact</p> |

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure 3(b) - Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of The Shipping Corporation of India Limited for the financial year 2021-22

| 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 observed during the course of audit and explained to us, no substantial portion of revenue booked / invoices raised by the company are reversed or cancelled except that in the 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 or 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 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 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 |

ANNEXURE 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 |
|---------|--|--|---|
| 5 | Whether balance payable to Agents as at the year-end is correctly reflected under the "Liability" head in Balance Sheet? | Yes, as observed during the course of audit at the end of the year and explained to us, 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
FRN: 109208W**

CA G. Sankar
Partner
Membership No.46050
UDIN: 22046050AINEER5377

**For CHOKSHI & CHOKSHI LLP,
Chartered Accountants
FRN: 101872W/W100045**

CA Kiran Bhoir
Partner
Membership No.159960
UDIN: 22159960AINFJF2872

Place: Mumbai

Date: 06.05.2022



STANDALONE BALANCE SHEET

The Shipping Corporation of India Limited

Standalone Balance Sheet

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 7,60,655 | 10,15,287 |
| Capital work-in-progress | 4 | 5,831 | 3,266 |
| Right-of-use asset | 5 | 1,809 | 2,101 |
| Other intangible assets | 6 | 9 | 50 |
| Financial assets | | | |
| i. Investments | 7(a) | 7,838 | 7,713 |
| ii. Loans | 7(b) | 20,882 | 23,868 |
| iii. Other financial assets | 7(c) | 20,086 | 543 |
| Deferred tax assets (net) | | - | - |
| Income tax assets (net) | 8 | 21,202 | 19,477 |
| Other non-current assets | 9 | 13,019 | 11,241 |
| Total non-current assets | | 8,51,331 | 10,83,546 |
| Current assets | | | |
| Inventories | 10 | 17,479 | 8,760 |
| Financial assets | | | |
| i. Investments | 7(d) | - | - |
| ii. Trade receivables | 7(e) | 63,721 | 63,046 |
| iii. Cash and cash equivalents | 7(f) | 13,698 | 22,402 |
| iv. Bank balances other than (iii) above | 7(g) | 1,26,993 | 81,113 |
| v. Loans | 7(b) | 169 | 792 |
| vi. Other financial assets | 7(c) | 54,135 | 33,274 |
| Other current assets | 9 | 18,741 | 20,753 |
| Total current assets | | 2,94,936 | 2,30,140 |
| Assets classified as held for sale | 11 | - | 7 |
| Non-core assets held for demerger | 11(a) | 2,39,239 | - |
| Total assets | | 13,85,506 | 13,13,693 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 46,580 | 46,580 |
| Other equity | 13 | 5,86,025 | 7,43,622 |
| Other equity held for demerger | 13(a) | 2,37,359 | - |
| Total equity | | 8,69,964 | 7,90,202 |

STANDALONE BALANCE SHEET

The Shipping Corporation of India Limited

Standalone Balance Sheet

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14(a) | 2,14,619 | 2,66,378 |
| ii. Lease liabilities | 14(b) | 2,101 | 2,243 |
| iii. Other financial liabilities | 14(c) | 135 | 33 |
| Provisions | 15 | 6,863 | 6,332 |
| Deferred tax liabilities (net) | 16 | 83 | 5,580 |
| Other non-current liabilities | 17 | - | - |
| Total non-current liabilities | | 2,23,801 | 2,80,566 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14(d) | 1,03,119 | 99,060 |
| ii. Lease liabilities | 14(b) | 198 | 219 |
| iii. Trade payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | 14(e) | 3,714 | 4,194 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 14(e) | 1,20,099 | 79,071 |
| iv. Other financial liabilities | 14(c) | 21,742 | 21,019 |
| Other current liabilities | 17 | 14,191 | 16,683 |
| Provisions | 15 | 1,379 | 891 |
| Total current liabilities | | 2,64,442 | 2,21,137 |
| Liabilities directly associated with assets classified as held for sale | 18 | - | 21,788 |
| Liabilities directly associated with assets classified as held for demerger | 18(a) | 27,299 | - |
| Total liabilities | | 5,15,542 | 5,23,491 |
| Total equity and liabilities | | 13,85,506 | 13,13,693 |

The accompanying note no. 1 to 54 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 Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

The Shipping Corporation of India Limited

Standalone Statement of Profit and Loss

(All amounts in INR lakhs, unless otherwise stated)

| Sr. No | Particulars | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------|--|-------|-----------------------------|-----------------------------|
| I | Revenue from operations | 19,20 | 4,99,455 | 3,70,325 |
| II | Other income | 21 | 10,404 | 12,556 |
| III | Total Income (I+II) | | 5,09,859 | 3,82,881 |
| IV | Expenses | | | |
| | Cost of services rendered | 22 | 2,90,048 | 1,99,903 |
| | Employee benefits expense | 23 | 48,542 | 47,378 |
| | Finance costs | 24 | 15,770 | 2,111 |
| | Depreciation and amortisation expense | 25 | 63,544 | 62,794 |
| | Other expenses | 26 | 8,137 | 7,218 |
| | Total expenses (IV) | | 4,26,041 | 3,19,404 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | | 83,818 | 63,477 |
| VI | Exceptional items | | - | - |
| VII | Profit/(Loss) before tax (V-VI) | | 83,818 | 63,477 |
| | Current tax | | 4,230 | 3,611 |
| | Tax pertaining to earlier years | | 104 | 7 |
| | Deferred tax | | 5 | (1,951) |
| VIII | Total tax expense (VIII) | | 4,339 | 1,667 |
| IX | Profit/(Loss) for the period (VII-VIII) | | 79,479 | 61,810 |
| X | Other comprehensive income | | | |
| | Items that will not be reclassified to profit or loss: | | | |
| | Remeasurements gain/(loss) of defined benefit plans | | 1,447 | 2,068 |
| | Other comprehensive income for the period, net of tax (X) | | 1,447 | 2,068 |
| XI | Total comprehensive income for the period (IX+X) | | 80,926 | 63,878 |
| XII | Earnings per equity share | 27 | | |
| | (1) Basic earnings per share (in ₹) | | 17.06 | 13.27 |
| | (2) Diluted earnings per share (in ₹) | | 17.06 | 13.27 |

The accompanying note no. 1 to 54 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

For Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

For and on behalf of the Board of Directors,

Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

STANDALONE CASH FLOW STATEMENT

The Shipping Corporation of India Limited

Standalone Cash Flow Statement

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Yeard ended 31 March 2022 | Yeard ended 31 March 2021 |
|--|------------------------------|------------------------------|
| A Cash Flow from operating activities | | |
| Profit/(Loss) before income tax | 83,818 | 63,477 |
| Adjustments for | | |
| Add: | | |
| Depreciation and amortisation expenses | 63,544 | 62,794 |
| Finance costs | 6,543 | 10,674 |
| Bad debts and irrecoverable balances written off | 31 | 184 |
| Provision for doubtful debts | 781 | 1,281 |
| Write off of Fixed Assets | 134 | 484 |
| Foreign Currency Fluctuations | 14,699 | (8,388) |
| Less: | | |
| Dividend received from Joint Ventures | (394) | (2,911) |
| Interest received | (7,257) | (6,561) |
| Excess Provisions written back | (690) | (157) |
| Profit on sale of investment | (569) | (449) |
| Surplus on sale of fixed assets | - | (38) |
| Change in non-current investment due to fair valuation | (24) | 13 |
| Change in operating assets and liabilities | | |
| (Increase)/Decrease in Trade Receivables | (302) | (3,119) |
| (Increase)/Decrease in Other Current / Non Current Assets | (21,152) | 22,301 |
| (Increase)/Decrease in inventories | (8,719) | 4,378 |
| Increase/ (Decrease) in Trade Payables | 37,165 | (10,545) |
| Increase/ (Decrease) in Other Current / Non Current Liabilities | 2,926 | 3,617 |
| | 1,70,534 | 1,37,035 |
| Cash generated from operations | | |
| Income taxes paid | (6,059) | (2,983) |
| Net cash inflow from operating activities (A) | 1,64,475 | 1,34,052 |
| B Cash flow from investing activities: | | |
| Purchase of property, plant and equipment/ intangible assets | (49,223) | (19,673) |
| Sale proceeds of property, plant and equipment | 6 | 57 |
| Dividend Received from Joint Ventures | 394 | 2,911 |
| Investment in Shares of SCI LAL | (1) | - |
| Share application money | - | (100) |
| Purchase/sale of investments (net) | 569 | 449 |
| Purchase of non-current investments | - | - |
| Loans given to Subsidiary - ICSL | (50) | - |
| Loan remitted / Recovery to/from employees and Joint venture | (1,753) | 1,799 |
| Other Deposits with banks | (65,111) | (11,814) |
| Advances and other Deposits | 43 | 171 |
| Interest received | 7,114 | 5,448 |
| Net cash inflow / (outflow) from investing activities (B) | (1,08,012) | (20,752) |

STANDALONE CASH FLOW STATEMENT

The Shipping Corporation of India Limited

Standalone Cash Flow Statement

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| C Cash flow from financing activities | | |
| Long term loans repaid | (56,814) | (67,646) |
| Long term loans borrowed | - | - |
| Short term loans borrowed/(repaid) | (556) | (31,662) |
| *Dividend on shares paid of earlier years and transfer to IEPF | - | - |
| Interest paid | (6,211) | (11,189) |
| Dividend Paid | (1,161) | (3,486) |
| Payment of Lease liability | (152) | (142) |
| Other financing costs | (365) | (1,318) |
| Net cash outflow from financing activities (C) | (65,259) | (1,15,443) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (8,796) | (2,143) |
| Cash and cash equivalents at the beginning of the financial year | 22,402 | 24,478 |
| Exchange difference on translation of foreign currency cash and cash equivalents | 92 | 67 |
| Cash and cash equivalents at the end of the year** | 13,698 | 22,402 |
| ** Comprises of | | |
| Balances with banks in current accounts# | 8,912 | 19,489 |
| Balance in current account with repatriation restrictions | - | - |
| Balances with banks in deposits account with original maturity of less than three months @ | 4,786 | 2,913 |
| Total | 13,698 | 22,402 |

#Balances with banks in current accounts unavailable for use

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|----------------------------|-----------------------------|-----------------------------|
| Unspent CSR money | 3 | - |
| Unpaid dividend | 10 | 7 |
| Unspent Staff welfare fund | 115 | - |
| Total | 128 | 7 |

@ Balances with banks in deposits account with original maturity of less than three months unavailable for use

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Unutilized Govt subsidy fund of Male service | 200 | - |
| Superannuation Fund | 3,625 | - |
| Total | 3,825 | - |

The accompanying note no. 1 to 54 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

For Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

CA G.Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

For and on behalf of the Board of Directors,

Mrs. Swapnita Vikas Yadav
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 6th May, 2022

Mumbai, Dated the 6th May, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited Standalone Statement of Changes in Equity

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital

For the Year ended 31st March 2022

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 4,65,79,90,100 | - | - | - | 4,65,79,90,100 |

For the Year ended 31st March 2021

| Balance at the beginning of the previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period |
|---|--|--|--|---|
| 4,65,79,90,100 | - | - | - | 4,65,79,90,100 |

B. Other Equity

For the Year ended 31st March 2022

| Particulars | Reserves and Surplus | | | | | | | | | | | | Total | | | | |
|---|-------------------------|---|-----------------|--------------------|-----------------|---------------------|--------------------------------|-------------------|-------------------------------------|---|---|---------------------------------------|-------|---------------------|---|--|---------------------------------------|
| | Share application money | Equity component of compound financial instrument | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | Retained Earnings | Retained Earnings held for Demerger | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants |
| Balance at the beginning of the current reporting period | - | - | 15,205 | 52,177 | 5,53,527 | 12,450 | - | 1,10,263 | - | - | - | - | - | - | - | - | 7,43,622 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

STANDALONE STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited
Standalone Statement of Changes in Equity

(All amounts in INR lakhs, unless otherwise stated)

For the Year ended 31st March 2022

| Particulars | Reserves and Surplus | | | | | | | | | | | | | | | | |
|---|---|---|-----------------|--------------------|-----------------|---------------------|--------------------------------|-------------------|-------------------------------------|---|---|---------------------------------------|---------------------|---|--|---------------------------------------|----------|
| | Share application money pending allotment | Equity component of compound financial instrument | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | Retained Earnings | Retained Earnings held for Demerger | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | 80,926 | - | - | - | - | - | - | - | - | - | 80,926 |
| Dividends | - | - | - | - | - | - | (1,164) | - | - | - | - | - | - | - | - | - | (1,164) |
| Dividend distribution tax paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Tonnage tax reserve | - | - | - | - | - | - | (14,210) | - | - | - | - | - | - | - | - | - | (14,210) |
| Transfer from surplus in Statement of Profit & Loss account | - | - | - | - | - | 14,210 | - | - | - | - | - | - | - | - | - | - | 14,210 |
| Transfer to Tonnage tax reserve (utilised) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer from Tonnage tax reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Capital Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

STANDALONE STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited
Standalone Statement of Changes in Equity

(All amounts in INR lakhs, unless otherwise stated)

For the Year ended 31st March 2021

| Particulars | Reserves and Surplus | | | | | | | | | | | | | | | | |
|--|---|---|-----------------|--------------------|-----------------|---------------------|--------------------------------|-------------------|-------------------------------------|---|---|---------------------------------------|---------------------|---|--|---------------------------------------|----------|
| | Share application money pending allotment | Equity component of compound financial instrument | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | Retained Earnings | Retained Earnings held for Demerger | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
| Balance at the beginning of the previous reporting period | - | - | 15,205 | 52,177 | 5,53,527 | 2,100 | - | 60,229 | - | - | - | - | - | - | - | - | 6,83,238 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive income for the previous year | - | - | - | - | - | - | - | 63,878 | - | - | - | - | - | - | - | - | 63,878 |
| Dividends | - | - | - | - | - | - | - | (3,493) | - | - | - | - | - | - | - | - | (3,493) |
| Dividend distribution tax paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Tonnage tax reserve | - | - | - | - | - | - | - | (10,350) | - | - | - | - | - | - | - | - | (10,350) |
| Transfer from surplus in Statement of Profit & Loss account | - | - | - | - | - | 10,350 | - | - | - | - | - | - | - | - | - | - | 10,350 |

STANDALONE STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited
Standalone Statement of Changes in Equity

(All amounts in INR lakhs, unless otherwise stated)

For the Year ended 31st March 2021

| Particulars | Reserves and Surplus | | | | | | | | | | | Total | | | | | |
|---|---|---|-----------------|--------------------|-----------------|---------------------|--------------------------------|-------------------|-------------------------------------|---|---|-------|---------------------------------------|---------------------|---|--|---------------------------------------|
| | Share application money pending allotment | Equity component of compound financial instrument | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | Retained Earnings | Retained Earnings held for Demerger | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants |
| Transfer to Tonnage tax reserve (utilised) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer from Tonnage tax reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Capital Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to General Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of the previous reporting period | - | 15,205 | 5,53,527 | 52,177 | 5,53,527 | 12,450 | - | 1,10,263 | - | - | - | - | - | - | - | - | 7,43,622 |

The accompanying note no. 1 to 54 are an integral part of these Standalone Financial Statements.

As per our report of even date attached hereto.

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

For Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

For and on behalf of the Board of Directors,
Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

Corporate Information

The Shipping Corporation of India Limited (“SCI” / “the Company”) is the largest Indian Shipping company limited by shares, incorporated in 1961. The equity shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange in India. SCI is involved in the business of transporting goods. 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 other organizations.

The registered office of the Company is located at Shipping House, 245, Madame Cama Road, Nariman Point, Mumbai - 400 021.

Authorisation of Financial Statements: The Standalone Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 6th May, 2022.

Note 1: Significant Accounting Policies

The principal accounting policies applied in the preparation of these Standalone Financial Statements are set out below. The accounting policies applied are consistent with those of the previous financial years.

1.1 Basis of Preparation

(a) Compliance with the Indian Accounting Standards

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) to the extent applicable and current accounting practices prevailing within the Shipping Industry in India. The policies set out below have been consistently applied during the years presented.

(b) Historical Cost Convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities, which have been measured at fair value:

- Certain financial assets and financial liabilities;
- Defined Benefit Plans – Plan assets

Fair value is the price that would be received on sale of 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(c) Current/Non-Current Classification:

The assets and liabilities reported in the balance sheet are classified as “current/non-current” as per the Company’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Current assets are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or within 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 balance sheet date.

(d) All material prior period errors are adjusted retrospectively in the first set of financial statements approved for issue after their discovery by:

- Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- 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.

(e) The Standalone 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

(f) Amended standards adopted by the Company

- Amendment in Ind AS 107 (Financial Instruments: Recognition, Presentation and Disclosure)

The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like -

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, and how the entity manages these risks; and
- the entity’s progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

NOTES TO STANDALONE FINANCIAL STATEMENTS

The Company has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on financial statements.

(ii) Amendments in IND AS 109 (Financial Instruments)

The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The Company has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on financial statements.

(iii) Amendments in Ind AS 116 (Leases)

The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.

The Company has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on financial statements.

(iv) Ind AS amendment with respect to issuance of Conceptual Framework.

Ind AS 32, Ind AS 103, Ind AS 106, Ind AS 114, Ind AS 1, Ind AS 8, Ind AS 34, Ind AS 37 and Ind AS 38 have been amended consequent to issuance of Conceptual Framework for financial reporting under Ind AS. The Company has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on financial statements.

1.2 Foreign currency translation

(a) Functional and Presentational Currency

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in 'Indian Rupees' (INR), which is the Company's functional and 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, GBP, 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 Indian Rupees 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 Indian Rupees 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 rate 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:

- In respect of long term loans outstanding as on 31.03.2016, exchange difference is adjusted in the carrying cost of respective assets.
- In respect of long term loans taken 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.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 accumulated 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 for bringing the asset to the condition of its intended use.

Expenditure incurred on assets which are not ready for their intended use as on Balance Sheet date 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.

All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Transition to Ind AS:

On transition to Ind AS -

- a) Freehold land has been measured at fair value on transition date and that fair value is used as the deemed cost;
- b) Certain items of fleet have been measured at fair value and that fair value is used as deemed cost as on transition date.
- c) All other assets which are not fair valued have been measured in accordance with Ind AS 16 retrospectively.

Depreciation:

Depreciation on all vessels is charged on "Straight Line Method" less residual value. In the case of Liner and Bulk Carrier vessels, the company has adopted useful life of 25 years as mentioned in Schedule II to the Companies Act, 2013. In case of Tankers & Offshore Vessels, the company has adopted a useful life of 25 years based on the technical parameters including design life and the past record. In case of VLGC vessel, the company has adopted a useful life of 30 years as mentioned in Schedule II to the Companies Act, 2013. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25 or 30 years from the date of original built. Capitalised expenditures on dry-dock are depreciated until the next planned dry-docking and derecognised on recognition of new dry dock asset.

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. 5,000/- 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.

Depreciation on additions / deductions to PPE made during the year is provided on pro-rata basis from / up to the date of such additions / deductions, as the case may be.

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 for bringing the asset to the condition of its intended use.

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 useful lives of intangible assets are either finite or indefinite. Finite-life intangible assets are amortised on a straight line basis over the period of their estimated useful lives. An intangible asset having indefinite useful life is not amortised but is tested for impairment annually. 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 include interest, ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings availed on or after April 1, 2016, to the extent they are regarded as an adjustment to the interest cost as per Ind AS 23. Borrowing costs that are directly 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

are charged to the Statement of Profit and Loss in the period in which they are incurred

1.6 Impairment of non-financial assets

Non-financial assets that are subject to depreciation or amortisation are reviewed for impairment as on 31st March of 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 to the extent, asset's carrying amount exceeds its recoverable amount. The Company estimates asset's recoverable amount, which is higher of an asset's fair value less cost of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the assets.

1.7 Inventories

Inventories are valued at cost (Moving average method / Weighted Average method) or net realisable value, whichever is lower, unless otherwise stated. Net realisable value is the estimated selling price in the ordinary course of business.

Fuel oil purchases are initially booked as stock. The value of year-end stock is arrived at after charging consumption on "moving average /weighted average" method.

Store / Spares including paints, etc. are charged to revenue as consumed when delivered to ships.

1.8 Non-current assets held-for-sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment classified as held for sale are not depreciated.

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 include cash at bank and in hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

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 Company'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.

ii(a) 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:

Financial Assets measured at Amortised Cost:

Financial assets such as trade receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest (EIR) method.

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.

Financial Assets measured at Fair Value through Other

Comprehensive Income (FVTOCI):

A financial asset is classified as at the FVTOCI if both the following criteria met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

Financial Assets measured at 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 financial asset 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.

ii(b) 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. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. 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:

- the rights to receive cash flows from the asset have expired, or
 - the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient
- Where the Company 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 Company 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.

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 definitions 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

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 rate 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 rate method.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.15 Income tax

Provision for income tax liability is made as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company. Provision for income- tax on non- shipping income is made as per the normal provisions of the Income- Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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 Standalone Financial Statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit 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. The Company has taken Group Medishield Insurance policy for Employees who have retired after 01.01.2007 under PRMS Scheme.

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.

Re-measurements, 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. Re-measurements 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 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 assets are not recognised but disclosed, where an inflow of economic benefits is probable.

1.18 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).

Training fees included in other operating income are accounted on accrual basis.

Profit from sale of vessels - Revenue from the sale of vessel is recognised upon the transfer of control to the buyer.

O&M contracts – The Company has entered into contracts with its customers for Operation & Management of vessels owned by them. These are cost plus contracts and the Company is entitled for reimbursement of all costs incurred on these vessels plus a fixed percentage of remuneration on these costs. The Company accounts for the remuneration earned as and when the costs are incurred and booked in the accounts. The reimbursement of costs is netted off against the relevant expense head to which the cost was originally debited.

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.

Dividends - 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.

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.

1.19 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

NOTES TO STANDALONE FINANCIAL STATEMENTS

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.

1.20 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 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.

1.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). 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.

1.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.23 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.

1.24 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 Standalone 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 makes 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.

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 the Company 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 ageing analysis of trade receivables as at the reporting date.

Considering the different services provided by the company, provisioning is done segment wise basis analysis and computation of expected credit loss for trade receivables of different segments.

Impairment loss allowance on trade receivables during the year is recognised in the Statement of Profit and Loss.

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.

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 |
|---|-----------------|--------------|---|------------------|-----------------|---------------------|----------------------------------|----------------|------------------|
| Year ended 31 March 2021 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount (01 April 2020) | 2,37,630 | 1,140 | 139 | 11,90,048 | 86,486 | - | 2,044 | 18 | 15,17,505 |
| Additions | - | 138 | - | 661 | 14,204 | - | 121 | - | 15,124 |
| Disposals | - | - | - | (732) | - | - | (6) | - | (738) |
| Transfer from CWIP | - | - | - | - | 284 | - | - | - | 284 |
| Closing gross carrying amount (31 March 2021) | 2,37,630 | 1,278 | 139 | 11,89,977 | 1,00,974 | - | 2,159 | 18 | 15,32,175 |
| Accumulated depreciation | | | | | | | | | |
| Opening accumulated depreciation (01 April 2020) | - | 137 | 25 | 3,91,144 | 62,150 | - | 1,275 | 10 | 4,54,741 |
| Depreciation charge for the year | - | 31 | 5 | 48,655 | 13,565 | - | 125 | 1 | 62,382 |
| Disposals | - | - | - | (231) | - | - | (4) | - | (235) |
| Closing accumulated depreciation (31 March 2021) | - | 168 | 30 | 4,39,568 | 75,715 | - | 1,396 | 11 | 5,16,888 |
| Net carrying amount (31 March 2021) | 2,37,630 | 1,110 | 109 | 7,50,409 | 25,259 | - | 763 | 7 | 10,15,287 |
| Year ended 31 March 2022 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount (01 April 2021) | 2,37,630 | 1,278 | 139 | 11,89,977 | 1,00,974 | - | 2,159 | 18 | 15,32,175 |
| Additions | - | - | 44 | 11,443 | 32,576 | - | 623 | - | 44,686 |
| Adjustment in carrying amount of cost** | - | - | - | - | (41,303) | - | - | - | (41,303) |
| Disposals | - | - | - | (224) | - | - | (29) | - | (253) |
| Transfer from CWIP | - | - | 25 | - | 3,241 | - | - | - | 3,266 |
| Transfer to Assets Held for Demerger | (2,37,630) | (1,278) | (208) | - | - | - | (365) | - | (2,39,481) |
| Closing gross carrying amount (31 March 2022) | - | - | - | 12,01,196 | 95,488 | - | 2,388 | 18 | 12,99,090 |
| Accumulated depreciation | | | | | | | | | |
| Opening accumulated depreciation (01 April 2021) | - | 168 | 30 | 4,39,568 | 75,715 | - | 1,396 | 11 | 5,16,888 |
| Depreciation charge for the year | - | - | - | 48,976 | 14,101 | - | 142 | 1 | 63,220 |
| Adjustment in carrying amount of cost** | - | - | - | - | (41,303) | - | - | - | (41,303) |
| Disposals | - | - | - | (84) | - | - | (28) | - | (112) |
| Transfer to Assets Held for Demerger | - | (168) | (30) | - | - | - | (60) | - | (258) |
| Closing accumulated depreciation (31 March 2022) | - | - | - | 4,88,460 | 48,513 | - | 1,450 | 12 | 5,38,435 |
| Net carrying amount (31 March 2022) | - | - | - | 7,12,736 | 46,975 | - | 938 | 6 | 7,60,655 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Notes:

- (1) Additions to Fleet include Rs 1294 lakhs (Previous year Rs (2036) 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 (previous year Rs 134 lakhs) which is on leasehold land.
- (3) Ownership Flats and Residential Buildings include : Cost of shares and bonds in Cooperative Societies/Company (Previous year of face value Rs 0.73 lakhs).
- (4) *Refer Note 35 for Fleet pledged with banks for Borrowings
- (5) **Adjustments to carrying amount in Fleet Dry Dock includes write off of Fleet Dry Dock assets from Gross Block and Net Block whose useful life has expired.
- (6) There is no significant property, plant and equipment as on 31st March 2022 which are fully depreciated and are still in use.
- (7) Details of ownership flats and residential buildings not held in the name of the company (Ref note: 51)

Note 4: Capital work-in-progress

| Particulars | As at March 31,2020 | Incurred during the year | Capitalised/ Adjusted | As at March 31,2021 | Incurred during the year | Capitalised/ Adjusted | As at Mar. 31,2022 |
|--|---------------------|--------------------------|-----------------------|---------------------|--------------------------|-----------------------|--------------------|
| (A) Construction Work in Progress | | | | | | | |
| Asset under Construction excluding advance | 284 | 3,266 | 284 | 3,266 | 5,831 | 3,266 | 5,831 |
| (B) Construction Period Expenses | | | | | | | |
| a. Interest | - | - | - | - | - | - | - |
| b. Other directly attributable expenses | - | - | - | - | - | - | - |
| c. Exchange fluctuation | - | - | - | - | - | - | - |
| Total(A+B) | 284 | 3,266 | 284 | 3,266 | 5,831 | 3,266 | 5,831 |

Capital Work-in progress ageing schedule

| Capital Work-in-progress | Amount of CWIP for a period of | | | | Total |
|---|--------------------------------|-----------|------------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| Projects in progress as on 31 March 2022 | | | | | |
| Fleet Drydock related CWIP | 5,831 | - | - | - | 5,831 |
| Total Projects in progress | 5,831 | - | - | - | 5,831 |
| Projects Temporarily Suspended | - | - | - | - | - |
| Projects in progress as on 31 March 2021 | | | | | |
| Equipment installation in progress at shore | 25 | - | - | - | 25 |
| Fleet Drydock related CWIP | 3,241 | - | - | - | 3,241 |
| Total Projects in progress | 3,266 | - | - | - | 3,266 |
| Projects Temporarily Suspended | - | - | - | - | - |

Disclosure for Time overrun for Capital Work-in-progress as on 31 March 2021

| Capital Work-in-progress | To be completed in | | | | Total |
|---|--------------------|-----------|------------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| Projects in progress as on 31 March 2022 | | | | | |
| 1. Dry dock for Vessel 1 FY 2021-22 | 1,531 | - | - | - | 1,531 |
| 2. Dry dock for Vessel 2 FY 2021-22 | 470 | - | - | - | 470 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Capital Work-in-progress | To be completed in | | | | Total |
|---------------------------------------|--------------------|-----------|------------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| 3. Dry dock for Vessel 3 FY 2021-22 | 413 | - | - | - | 413 |
| 4. Dry dock for Vessel 4 FY 2021-22 | 474 | - | - | - | 474 |
| 5. Dry dock for Vessel 5 FY 2021-22 | 2,317 | - | - | - | 2,317 |
| 6. Dry dock for Vessel 6 FY 2021-22 | 138 | - | - | - | 138 |
| 7. Dry dock for Vessel 7 FY 2021-22 | 99 | - | - | - | 99 |
| 8. Dry dock for Vessel 8 FY 2021-22 | 85 | - | - | - | 85 |
| 9. Dry dock for Vessel 9 FY 2021-22 | 81 | - | - | - | 81 |
| 10. Dry dock for Vessel 10 FY 2021-22 | 44 | - | - | - | 44 |
| 11. Dry dock for Vessel 11 FY 2021-22 | 168 | - | - | - | 168 |
| 12. Dry dock for Vessel 12 FY 2021-22 | 11 | - | - | - | 11 |
| Total CWIP as on 31 March 2022 | 5,831 | - | - | - | 5,831 |

(1) The drydock for Vessel 1 to Vessel 5 started in FY 2021-22 was ongoing as on 31 March 2022 and there was no cost overrun.

(2) For sr.no. 6 to 12 (INR 626 lakhs), drydock is yet to commence as on 31 March 2022 and the Company expects their completion within a period of one year without any cost overrun.

Disclosure for Time overrun for Capital Work-in-progress as on 31-03-2021

| Capital Work-in-progress | To be completed in | | | | Total |
|--|--------------------|-----------|------------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| Projects in progress as on 31 March 2021 | | | | | |
| 1. Equipment installation in progress at shore | 25 | - | - | - | 25 |
| 2. Dry dock for Vessel 1 FY 2020-21 | 866 | - | - | - | 866 |
| 3. Dry dock for Vessel 2 FY 2020-21 | 486 | - | - | - | 486 |
| 4. Dry dock for Vessel 3 FY 2020-21 | 1,675 | - | - | - | 1,675 |
| 5. Dry dock for Vessel 4 FY 2020-21 | 104 | - | - | - | 104 |
| 6. Dry dock for Vessel 5 FY 2020-21 | 1 | - | - | - | 1 |
| 7. Dry dock for Vessel 6 FY 2020-21 | 35 | - | - | - | 35 |
| 8. Dry dock for Vessel 7 FY 2020-21 | 5 | - | - | - | 5 |
| 9. Dry dock for Vessel 8 FY 2020-21 | 69 | - | - | - | 69 |
| Total CWIP as on 31 March 2021 | 3,266 | - | - | - | 3,266 |

(1) The drydock for Vessel 1 to Vessel 3 started in FY 2020-21 was ongoing as on 31 March 2021 and there was no cost overrun.

(2) For sr. no. 5 to 9 (INR 215 lakhs), drydock is yet to commence as on 31 March 2021 and the Company expects their completion within a period of one year without any cost overrun.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 5: Right of Use Asset

| Particulars | Land | Buildings | Fleet | Furniture, Fittings & Equipments | Moter Vehicles | Total |
|---|------------|--------------|----------|----------------------------------|----------------|--------------|
| Year ended 31 March 2021 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount (1st April 2020) | 428 | 2,019 | - | 49 | 200 | 2,696 |
| Additions | - | - | - | - | - | - |
| Disposal | - | (6) | - | - | (31) | (37) |
| Closing gross carrying amount (31 March 2021) | 428 | 2,013 | - | 49 | 169 | 2,659 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation (1st April 2020) | 42 | 177 | - | 5 | 69 | 293 |
| Depreciation charge for the year | 42 | 177 | - | 14 | 69 | 302 |
| Disposal | - | (6) | - | - | (31) | (37) |
| Closing accumulated depreciation (31 March 2021) | 84 | 348 | - | 19 | 107 | 558 |
| Net carrying amount (31 March 2021) | 344 | 1,665 | - | 30 | 62 | 2,101 |
| Year ended 31 March 2022 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount (1st April 2021) | 428 | 2,013 | - | 49 | 169 | 2,659 |
| Additions | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - |
| Transfer to Assets Held for Demerger | (9) | - | - | - | - | (9) |
| Closing gross carrying amount (31 March 2022) | 419 | 2,013 | - | 49 | 169 | 2,650 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation (1st April 2021) | 84 | 348 | - | 19 | 107 | 558 |
| Depreciation charge for the year | 42 | 174 | - | 14 | 53 | 283 |
| Disposal | - | - | - | - | - | - |
| Transfer to Assets Held for Demerger | (0) | - | - | - | - | (0) |
| Closing accumulated depreciation (31 March 2022) | 126 | 522 | - | 33 | 160 | 841 |
| Net carrying amount (31 March 2022) | 293 | 1,491 | - | 16 | 9 | 1,809 |

Note 6: Intangible assets

| Particulars | Computer Software | Total |
|--|-------------------|--------------|
| Net carrying amount (31 March 2020) | 146 | 146 |
| Year ended 31 March 2021 | | |
| Gross carrying amount | | |
| Opening gross carrying amount (01 April 2020) | 1,625 | 1,625 |
| Additions | 13 | 13 |
| Closing gross carrying amount (31 March 2021) | 1,638 | 1,638 |
| Accumulated amortisation | | |
| Opening accumulated amortisation (01 April 2020) | 1,479 | 1,479 |
| Amortisation charge for the year | 109 | 109 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Computer Software | Total |
|---|-------------------|--------------|
| Closing accumulated amortisation (31 March 2021) | 1,588 | 1,588 |
| Net carrying amount (31 March 2021) | 50 | 50 |
| Year ended 31 March 2022 | | |
| Gross carrying amount | | |
| Opening gross carrying amount (01 April 2021) | 1,638 | 1,638 |
| Additions | - | - |
| Disposal | (2) | (2) |
| Closing gross carrying amount (31 March 2022) | 1,636 | 1,636 |
| Accumulated amortisation | | |
| Opening accumulated amortisation (01 April 2021) | 1,588 | 1,588 |
| Amortisation charge for the year | 41 | 41 |
| Disposal | (2) | (2) |
| Closing accumulated amortisation (31 March 2022) | 1,627 | 1,627 |
| Net carrying amount (31 March 2022) | 9 | 9 |

There were no intangible assets under development as on 31 March 2021 and 31 March 2022

Note 7: Financial assets

Note 7(a): Non-current investments

| Particulars | Face value | 31 March 2022 | | 31 March 2021 | |
|---|------------|---------------------|------------|---------------------|------------|
| | | No. of shares/Units | ₹ in lakhs | No. of shares/Units | ₹ in lakhs |
| Investment in equity instruments (fully paid-up) | | | | | |
| Unquoted | | | | | |
| (i) Investment carried at cost | | | | | |
| In Subsidiary | | | | | |
| Inland & Coastal Shipping Limited (wholly Owned) | Rs 10 | 1050000 | 105 | 50000 | 5 |
| Shipping Corporation of India Land and Assets Limited (wholly Owned) | Rs 10 | 10000 | 1 | - | - |
| In Joint Venture | | | | | |
| India LNG Transport Company (No. 1) Ltd. | 2.2037 USD | 2908 | 3 | 2908 | 3 |
| India LNG Transport Company (No.2) Ltd. | 2.2037 USD | 2908 | 3 | 2908 | 3 |
| India LNG Transport Company (No. 3) Ltd. | 1 USD | 2600 | 1 | 2600 | 1 |
| 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 | | | | | |
| Sethusamudram Corp. Ltd. | Rs 10 | 50000000 | 5,000 | 50000000 | 5,000 |
| Less: Loss allowance | | | 5,000 | | 5,000 |
| Scindia Steam Navigation Company Ltd., fully paid (Rs 0.30 lakhs ; Prev. yr. Rs 0.30 lakhs) | Rs 20 | 3438 | - | 3438 | - |
| Less: Loss allowance | | | - | | - |
| | | | - | | - |
| Woodlands Multispeciality Hospital Ltd. | Rs 10 | 60000 | 373 | 60000 | 349 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Face value | 31 March 2022 | | 31 March 2021 | |
|---|------------|---------------------|--------------|---------------------|--------------|
| | | No. of shares/Units | ₹ in lakhs | No. of shares/Units | ₹ in lakhs |
| Total (equity instruments) | | | 7,838 | | 7,713 |
| Total non-current investments | | | 7,838 | | 7,713 |
| Aggregate amount of quoted investments and market value thereof | | | - | | - |
| Aggregate amount of unquoted investments | | | 12,838 | | 12,713 |
| Aggregate amount of impairment in the value of investments | | | 5,000 | | 5,000 |
| Investments carried at cost | | | 7,465 | | 7,364 |
| Investments carried at fair value through Profit and Loss | | | 373 | | 349 |

(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 Rs 5000 lakhs (previous year Rs 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 **(Refer Note no -35)**.

(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 **(Refer Note no -35)**.

(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 **(Refer Note no -35)**.

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

(F) Shipping Corporation of India Land and Assets Limited is 100 percent Subsidiary.

Note 7(b): Loans

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|-------------|---------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Considered good - Secured | | | | |
| Loans to employees | 169 | 2,292 | 200 | 2,361 |
| Considered good - Unsecured | | | | |
| Loans to related parties# | | | | |
| Loan to Joint Ventures* | | | | |
| India LNG Transport Company (No. 1) Ltd. | - | - | 287 | 1,652 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------|---------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| India LNG Transport Company (No.2) Ltd. | - | - | 305 | 1,521 |
| India LNG Transport Company (No. 3) Ltd. | - | 18,540 | - | 18,334 |
| India LNG Transport Company (No. 4) Pvt Ltd. | - | - | - | - |
| | - | 18,540 | 592 | 21,507 |
| Loan to Subsidiary (Inland & Coastal Shipping Limited) | - | 50 | - | - |
| Less: Allowance for doubtful debts | - | - | - | - |
| Total loans | 169 | 20,882 | 792 | 23,868 |

*This includes repayment of Rs. 591.83 lakhs remitted by India LNG Transport Company (No. 1 & 2) Ltd. on 31st March 2021, for which credit was received by SCI on 01st April 2021.

| Type of Borrower | 31 March 2022 | 31 March 2021 | % to the Total Loans 31 March 2022 | % to the Total Loans 31 March 2021 |
|--|---------------|---------------|------------------------------------|------------------------------------|
| India LNG Transport Company (No. 1) Ltd. | - | 1,939 | - | 8.77 |
| India LNG Transport Company (No.2) Ltd. | - | 1,826 | - | 8.26 |
| India LNG Transport Company (No. 3) Ltd. | 18,540 | 18,334 | 99.73 | 82.97 |
| Inland & Coastal Shipping Limited | 50 | - | 0.27 | - |
| Total | 18,590 | 22,099 | 100.00 | 100.00 |

Note 7(c): Other financial assets

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------|---------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Financial Assets carried at amortised cost | | | | |
| Security Deposits | - | 848 | - | 436 |
| Bank deposits with more than 12 months maturity | | | | |
| - Term Deposits@ | - | 19,231 | - | - |
| From Related Parties (Refer Note no 30 for details) | | | | |
| - Interest Receivable* | 201 | - | 249 | - |
| Subsidy Receivable From GOI (for promotion of flagging of merchant ships in India) | 93 | - | - | - |
| Receivable from Subsidiary-ICSL Ltd. | - | - | - | - |
| Receivable from Subsidiary-SCILAL. | - | - | - | - |
| Income accrued on deposits/investments# | 2,011 | - | 1,817 | - |
| Claim Recoverable | 5,817 | - | 1,398 | - |
| Unbilled Revenue (Contract Asset) (Refer Note no 33 for details) | 46,012 | - | 29,809 | - |
| Less: Provision for doubtful debts | - | - | - | - |
| | 46,012 | - | 29,809 | - |
| Share Application Money Paid ** | - | - | - | 100 |
| Others | 1 | 7 | 1 | 7 |
| Total other financial assets | 54,135 | 20,086 | 33,274 | 543 |

@ Earmarked Deposits unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Unutilized Govt subsidy fund of Male service | 306 | - |
| Staff Welfare Fund | 2,337 | - |
| Total | 2,643 | - |

* This includes amount of Rs. 25.93 lakhs and Rs. 24.42 lakhs Remitted by India LNG Transport Co. (No. 1 & 2) Ltd. respectively remitted on 31st March 2021, for which credit was received by SCI on 01/04/2021.

This includes income on Surplus FD (earmarked as per demerger scheme) of Rs. 549.46 lakhs.

** The Company has paid Rs. 100 lakhs as share application money to ICSL during FY 2020-21 against which shares were allotted in FY 2021-22.

Note 7(d): Current investments

| Particulars | Face value | 31 March 2022 | | 31 March 2021 | |
|--|------------|---------------------|------------|---------------------|------------|
| | | No. of shares/Units | ₹ in lakhs | No. of shares/Units | ₹ 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. (P.J.S)). | 1USD | - | - | 2,95,029 | - |
| 16 (Prev.yr.16) shares of USD 1 each fully paid up of BIIS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S))* | 1USD | - | - | 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 | | | - | | - |

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

Investments in ISI Maritime Limited and BIIS Maritime have been transferred to Assets held for Demerger as per Demerger Scheme.

Note 7(e): Trade receivables

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------|---------------|---------------|
| Trade Receivable* | 88,382 | 85,708 |
| Less: Allowance for doubtful debts** | 24,661 | 22,662 |
| Total receivables | 63,721 | 63,046 |
| Current Portion | 63,721 | 63,046 |
| Non Current Portion | - | - |

Break up of above details

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Considered good - Secured | 8,289 | 7,938 |
| Considered good - Unsecured | 67,457 | 67,815 |
| Trade Receivables which have significant increase in Credit Risk | 4,794 | 2,658 |
| Trade Receivables - credit impaired | 7,842 | 7,297 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| Total | 88,382 | 85,708 |
| Allowance for doubtful debts | 24,661 | 22,662 |
| Total trade Receivables | 63,721 | 63,046 |

*Significant Receivables from related parties (refer note 30)

** Refer Note no. 38 for further details

Trade receivables ageing schedule for the year ended 31 March 2022

| Particulars | | Not Due | 0-6 months | 6 months to 1 Year | 1 Year to 2 Year | 2 Years to 3 Years | More than 3 Years | Total |
|-------------|-------------------------------------|--------------|---------------|--------------------|------------------|--------------------|-------------------|---------------|
| Undisputed | Considered Good | 1,229 | 54,782 | 10,345 | 2,918 | 2,900 | 244 | 72,418 |
| Undisputed | Significant increase in Credit Risk | - | - | - | - | - | 4,218 | 4,218 |
| Undisputed | Credit Impaired | - | - | - | - | - | - | - |
| Disputed | Considered Good | - | 61 | 11 | 0 | - | 3,256 | 3,328 |
| Disputed | Significant increase in Credit Risk | - | 4 | 6 | 25 | 8 | 533 | 576 |
| Disputed | Credit Impaired | - | 550 | 330 | 756 | 821 | 5,385 | 7,842 |
| | Total | 1,229 | 55,397 | 10,692 | 3,699 | 3,729 | 13,636 | 88,382 |
| Less | Allowances for Doubtful Debts | | | | | | | (24,661) |
| | Total Trade Receivables | | | | | | | 63,721 |

Trade receivables ageing schedule for the year ended 31 March 2021

| Particulars | | Not Due | 0-6 months | 6 months to 1 Year | 1 Year to 2 Year | 2 Years to 3 Years | More than 3 Years | Total |
|-------------|-------------------------------------|--------------|---------------|--------------------|------------------|--------------------|-------------------|---------------|
| Undisputed | Considered Good | 6,306 | 36,906 | 24,100 | 468 | 2,146 | 2,046 | 71,972 |
| Undisputed | Significant increase in Credit Risk | - | - | - | - | - | 2,044 | 2,044 |
| Undisputed | Credit Impaired | - | - | - | - | - | - | - |
| Disputed | Considered Good | - | 4 | 24 | 57 | 122 | 3,573 | 3,781 |
| Disputed | Significant increase in Credit Risk | - | 18 | 57 | 6 | - | 533 | 614 |
| Disputed | Credit Impaired | - | 104 | 871 | 598 | 1,868 | 3,856 | 7,297 |
| | Total | 6,306 | 37,033 | 25,052 | 1,128 | 4,136 | 12,052 | 85,708 |
| Less | Allowances for Doubtful Debts | | | | | | | (22,662) |
| | Total Trade Receivables | | | | | | | 63,046 |

Note 7(f): Cash and cash equivalents

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balances with banks | | |
| - in current accounts* | 8,912 | 19,489 |
| - in deposits account with original maturity of less than three months@ | 4,786 | 2,913 |
| Total cash and cash equivalents | 13,698 | 22,402 |

*Balance with banks in current account unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|----------------------------|---------------|---------------|
| Unspent CSR money | 3 | - |
| Unpaid dividend | 10 | 7 |
| Unspent Staff welfare fund | 115 | - |
| Total | 128 | 7 |

@ Earmarked Deposits unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Unutilized Govt subsidy fund of Male service | 200 | - |
| Superannuation Fund | 3,625 | - |
| Total | 3,825 | - |

Note 7(g): Bank balances other than cash and cash equivalents

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|---------------|
| Margin money for Bank Guarantee | - | - |
| Other Deposits with banks* | 1,26,993 | 81,113 |
| Total Bank balances other than cash and cash equivalents | 1,26,993 | 81,113 |

*Refer Note 35 for Deposits pledged with banks for Borrowings

*Fixed deposit includes unutilised funds of FPO as on 31st March 2022 is Rs. 13,385 lakhs (as on 31st March 2021 is Rs. 13,385 lakhs).

*Earmarked Deposits unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Unutilized Govt subsidy fund of Male service | 900 | 1,280 |
| Lien with Banks and Others | 2,687 | 5,271 |
| Surplus FD (earmarked as per demerger scheme) | 45,000 | - |
| Staff Welfare Fund | 100 | 210 |
| Superannuation Fund | 1,178 | 6,635 |
| Total | 49,865 | 13,396 |

Note 8: Income Tax Assets(net)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------|---------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| Income Tax Assets (Net of Provision) * | - | 21,202 | - | 19,477 |
| Income Tax Assets (Net) | - | 21,202 | - | 19,477 |

* Refer Note no. 29 for further details

Note 9: Other Current Assets

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---------------|-------------|---------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| (a) Advances other than Capital Advances | | | | |
| Advances to suppliers | - | - | - | - |
| Advances to employees | | | | |
| i) Secured, Considered Good | - | - | - | - |
| ii) Unsecured, Considered Good | 1,059 | - | 458 | - |
| | 1,059 | | 458 | |
| Less : Provision for Doubtful Advances | - | - | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---------------|---------------|---------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| Advances to Others | 1,059 | - | 458 | - |
| i) Unsecured, Considered Good | 9,436 | - | 11,201 | - |
| ii) Unsecured, Considered Doubtful | 1,706 | - | 1,657 | - |
| | 11,142 | - | 12,858 | - |
| Less : Provision for Doubtful Advances | 1,706 | - | 1,657 | - |
| | 9,436 | - | 11,201 | - |
| (b) Others | | | | |
| Excess - Gratuity Fund | - | 7,418 | - | 6,305 |
| Balances with statutory authorities | | | | |
| - Cenvat Credit Receivables | - | 95 | - | 96 |
| - Service tax paid under Protest | - | 3,823 | - | 3,160 |
| - GST Receivable* | 7,513 | - | 8,754 | - |
| - Predeposit with Income Tax Department | - | 974 | - | 974 |
| | 7,513 | 4,892 | 8,754 | 4,230 |
| Subsidy for Passenger service (Myanmar)** | 467 | - | 467 | - |
| Less : Provision for Doubtful Advances | 467 | - | 467 | - |
| | - | - | - | - |
| Prepaid Expenses | 685 | - | 375 | - |
| Others | 48 | 709 | (35) | 706 |
| Total other current assets | 18,741 | 13,019 | 20,753 | 11,241 |

*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 will be progressively reviewed and availed for discharge of Goods and Service Tax liability payable by the Corporation.

** This pertains to India Myanmar Service started on 02.10. 2014 on the directions of Ministry of Ports, Shipping and Waterways (MoPSW). The service was completed on Nov 2016.

Note 10: Inventories

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
| Fuel Oil | 17,479 | 8,760 |
| Total inventories | 17,479 | 8,760 |

Valuation of inventories are done as per point no1. 7 of significant accounting policies (Note - 1)

Note 11: Assets classified as held for sale

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Fleet and Container held for Sale | 1 | 1 |
| Less: Impairment loss allowance | (1) | (1) |
| | - | - |
| 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. | - | 10 |
| Less: Impairment loss allowance | - | (3) |
| | - | 7 |
| Irano Hind Shipping Co. Ltd. | - | 39 |
| Less: Impairment loss allowance | - | (39) |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Advance to Irano Hind Shipping Co. Ltd. | - | - |
| Less: Provision for Doubtful advances | - | 23 |
| | - | (23) |
| Total assets held for sale | - | 7 |

Note 11(a) : Non Core Assets held for Demerger

| Particulars | 31 March 2022 | 31 March 2021 |
|--|-----------------|---------------|
| Non Core Assets held for Demerger | | |
| Freehold Land | 2,37,630 | - |
| Buildings | 1,110 | - |
| Ownership Flats & Residential Buildings | 178 | - |
| Furniture, Fittings & Equipments | 305 | - |
| | 2,39,223 | - |
| Leasehold property (Shipping House Land) | 9 | - |
| Investment held for Demerger | | |
| 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. (P.J.S)). | - | - |
| 16 (Prev.yr.16) shares of USD 1 each fully paid up of BHS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S))* | - | - |
| 1,00,000 (Prev.yr.1,00,000) shares of Rs 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd. | 10 | - |
| Less: Impairment loss allowance | (3) | - |
| | 7 | - |
| Irano Hind Shipping Co. Ltd. | 39 | - |
| Less: Impairment loss allowance | (39) | - |
| | - | - |
| Advance to Irano Hind Shipping Co. Ltd. | 23 | - |
| Less: Provision for Doubtful advances | (23) | - |
| | - | - |
| Total assets held for Demerger | 2,39,239 | - |

- a) The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano-Hind Shipping Co. (P.J.S) (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. Further the said investment has been included in the list of non core assets of Demerger Scheme.
- 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 Company Pvt. Ltd. (SSSPL). The said company was incorporated on 19.05.2010 with an authorised share capital of Rs 1000 lakhs. The Company has subscribed equity capital of 100000 shares of Rs 10 each amounting to Rs 10 lakhs. As per current status the company is struck off. Under Ind AS, investment in SSSPL has been written down during FY 15-16 to reflect its fair value. Further the said investment has been included in the list of non core assets of Demerger Scheme.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 Rs 42 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).

* Shares have pledged to banks against loans given by them

Note 12: Equity Share capital

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---|--------------------|------------------|--------------------|
| | Authorised 1,00,00,00,000 [31 March 2021: 1,00,00,00,000] Equity Shares of INR 10 each | 1,00,000 | | 1,00,000 |
| Issued, subscribed and fully paid up 46,57,99,010 [31 March 2021: 46,57,99,010] Equity Shares of INR 10 each | 46,580 | | 46,580 | |
| | 46,580 | | 46,580 | |
| a) Reconciliation of number of shares | 31 March 2022 | | 31 March 2021 | |
| | Number of shares | Amount (in ₹) | Number of shares | Amount (in ₹) |
| Equity Shares : | | | | |
| Balance as at the beginning of the year | 46,57,99,010 | 4,65,79,90,100 | 46,57,99,010 | 4,65,79,90,100 |
| Add: Bonus shares issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Balance as at the end of the year | 46,57,99,010 | 4,65,79,90,100 | 46,57,99,010 | 4,65,79,90,100 |
| b) Details of equity shares held by shareholders holding more than 5% of the aggregate shares | 31 March 2022 | | 31 March 2021 | |
| | Number of shares | % of share holding | Number of shares | % of share holding |
| Equity shares | | | | |
| 1. President of India | 29,69,42,977 | 63.75 | 29,69,42,977 | 63.75 |
| 2. Life Insurance Corporation of India | 2,74,98,852 | 5.90 | 3,67,39,641 | 7.89 |
| | 32,44,41,829 | 69.65 | 33,36,82,618 | 71.64 |

c) Disclosure of Shareholding of Promoters

| Shares held by Promoters at the year ended 31 March 2022 | | | | |
|--|--------------------|------------------|-------------------|----------------------------|
| S.No. | Promoter Name* | Number of Shares | % of Total shares | % Change during the year** |
| 1 | President of India | 29,69,42,977 | 63.75 | - |
| Shares held by Promoters at the year ended 31 March 2021 | | | | |
| S.No. | Promoter Name* | Number of Shares | % of Total shares | % Change during the year** |
| 1 | President of India | 29,69,42,977 | 63.75 | - |

*Promoter here means promoter as defined in the Companies Act, 2013

** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

d) 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.

e) Rights/Preference/Restriction attached to Equity Shares: The Company has only one class of Equity shares having par value of Rs 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.

f) The Company does not have holding company.

g) There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.

Note 13: Other Equity

Surplus

| | 31 March 2022 | 31 March 2021 |
|----------------------|-----------------|-----------------|
| Capital reserve | 15,205 | 15,205 |
| Securities premium | 52,177 | 52,177 |
| General reserve | 5,53,527 | 5,53,527 |
| Tonnage Tax Reserve | 26,660 | 12,450 |
| Retained Earnings | (61,544) | 1,10,263 |
| Total surplus | 5,86,025 | 7,43,622 |

(i) Capital reserve

| | 31 March 2022 | 31 March 2021 |
|--------------------------------------|---------------|---------------|
| 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

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| 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

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Opening balance | 5,53,527 | 5,53,527 |
| Add: Transfer from Tonnage Tax Reserve (Utilised) | - | - |
| Closing Balance | 5,53,527 | 5,53,527 |

(iv) Tonnage Tax Reserve

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Opening balance | 12,450 | 2,100 |
| Less: Transfer to Tonnage Tax Reserve (Utilised) | - | - |
| Add: Transfer from Surplus in the Statement of Profit or Loss | 14,210 | 10,350 |
| Closing Balance | 26,660 | 12,450 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(v) Retained Earnings

| | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Opening balance | 1,10,263 | 60,229 |
| Add: Profit/(Loss) for the year | 79,479 | 61,809 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| Remeasurements gain/(loss) of defined benefit plans | 1,447 | 2,068 |
| Adjustments: | | |
| Less: Adjustment in retained earning | - | - |
| Less: Dividend paid on equity shares | 1,164 | 3,493 |
| Less: Tonnage Tax Reserve | 14,210 | 10,350 |
| Less: Retained Earnings held for Demerger | 2,37,359 | - |
| Closing Balance | (61,544) | 1,10,263 |

Retained earnings include accumulated OCI of Rs. 6,001.28 lakhs (Previous year Rs. 4,554.28 lakhs)

Note 13 (a) : Retained Earnings held for Demerger

| | 31 March 2022 | 31 March 2021 |
|-------------------------------------|-----------------|---------------|
| Retained Earnings held for Demerger | 2,37,359 | - |
| Total | 2,37,359 | - |

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 2022 | | 31 March 2021 | |
|-----------------------------------|----------|---------------|---------------|-----------------|---------------|
| | | Non Current | Current* | Non Current | Current* |
| Secured | | | | | |
| Term Loans: | | | | | |
| Rupee loans from banks | A | - | - | - | - |
| Foreign currency loans from banks | B | 99,414 | 27,136 | 1,22,687 | 24,815 |
| Total | C | 99,414 | 27,136 | 1,22,687 | 24,815 |
| Unsecured | | | | | |
| Term Loans: | | | | | |
| Rupee loans from banks | A | - | - | - | - |
| Foreign currency loans from banks | B | 1,15,205 | 32,987 | 1,43,691 | 31,980 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | | 31 March 2022 | | 31 March 2021 | |
|-------------------------------|---|-----------------|---------------|-----------------|---------------|
| | | Non Current | Current* | Non Current | Current* |
| Total | C | 1,15,205 | 32,987 | 1,43,691 | 31,980 |
| Long-term borrowings # | | 2,14,619 | 60,123 | 2,66,378 | 56,795 |

Details of Borrowings

| Name of facility | Amount of Loan | Rate of interest | Repayment Terms | Maturity Date | Security Mortgaged |
|--|-----------------|--------------------------------|-----------------|---------------|-------------------------|
| Secured | | | | | |
| Standard Chartered Gift City 41.456 mn | 26,713 | Six Month USD LIBOR plus 1.60% | Half yearly | Aug-27 | Secured Against Vessels |
| SBI London 40.495 mn | 26,149 | Six Month USD LIBOR plus 1.55% | Half yearly | Nov-25 | Secured Against Vessels |
| SBI Mumbai Term Loan rs. 160 cr - Fcnr | 10,321 | Six Month USD LIBOR plus 1.25% | Quarterly | Mar-27 | Secured Against Vessels |
| SBI Mumbai Term Loan rs. 495 cr - Fcnr | 24,195 | Six Month USD LIBOR plus 1.25% | Quarterly | Jun-27 | Secured Against Vessels |
| Exim Bank Loan 75 million | 39,799 | Six Month USD LIBOR plus 1.35% | Quarterly | Jul-25 | Secured Against Vessels |
| Unsecured | | | | | |
| Exim Bank Loan 75 million | 48,733 | Six Month USD LIBOR plus 1.35% | Quarterly | Jan-28 | Unsecured |
| Bank of India 164m | 99,459 | Six Month USD LIBOR plus 1.40% | Half yearly | Mar-26 | Unsecured |
| TOTAL | 2,75,369 | | | | |

Maturity Profile

Secured Loans

| | | | |
|-----------|-----------|-----------|----------------|
| 1-2 years | 2-3 years | 3-4 years | Beyond 4 years |
| 28,679 | 28,679 | 26,272 | 15,784 |
| 1-2 years | 2-3 years | 3-4 years | Beyond 4 years |
| 32,987 | 32,987 | 32,987 | 16,244 |

Unsecured Loans

* Represents current maturities of Long term borrowings included in " Current borrowings"

The carrying amounts of financial and non-financial assets pledged as security are disclosed in note 35.

Includes Rs. (627) lakhs (previous year Rs. (770) lakhs) of Unamortised Upfront fees

Note 14(b): Lease Liabilities

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--------------------------------|---------------|------------|---------------|------------|
| | Non Current | Current | Non Current | Current |
| Lease Liabilities | 2,101 | 198 | 2,243 | 219 |
| Total Lease Liabilities | 2,101 | 198 | 2,243 | 219 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 14(c): Other financial liabilities

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---------------|------------|---------------|-----------|
| | Non Current | Current | Non Current | Current |
| Financial Liabilities at amortised cost | | | | |
| Security Deposits | 866 | 135 | 1,068 | 33 |
| Interest accrued but not due on borrowings | 634 | - | 680 | - |
| Unpaid Dividend | 10 | - | 7 | - |
| Others | | | | |
| Other Deposits payable | 297 | - | 244 | - |
| Payable to Related Parties (Refer Note no 30 for details) | 20 | - | - | - |
| Employee related Liabilities | 18,718 | - | 14,015 | - |
| Others* | 1,197 | - | 5,005 | - |
| Total other financial liabilities | 21,742 | 135 | 21,019 | 33 |

* Includes book overdraft of Rs 249 lakhs (Previous year Rs 4278 lakhs) for which reconciliation has been done.

Note 14(d): Current borrowings

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------|----------------|---------------|
| Secured | | |
| Current maturities of long-term debt | 27,136 | 24,815 |
| Unsecured | | |
| From Banks repayable on demand | | |
| Rupee loans from banks | - | - |
| Foreign currency loans from banks | 42,996 | 42,265 |
| Current maturities of long-term debt | 32,987 | 31,980 |
| Total current borrowings | 103,119 | 99,060 |

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 2021 | 3,23,853 | 42,265 | 3,66,118 |
| Cash flows | (56,796) | (557) | (57,353) |
| Foreign Exchange adjustments | 8,351 | 1,288 | 9,639 |
| Interest expense | 5,689 | 855 | 6,544 |
| Interest Paid | (5,721) | (855) | (6,576) |
| Net debt as at 31st March 2022 | 2,75,376 | 42,996 | 3,18,372 |

Note 14(e): Trade payables

| Particulars | 31 March 2022 | 31 March 2021 |
|---|----------------|---------------|
| Trade payables | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | 3,714 | 4,194 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises* | 120,108 | 79,071 |
| Total trade payables | 123,822 | 83,265 |

* Significant Payable to related parties (refer note 30)

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Disclosure requirement under MSMED Act, 2006

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| (a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year; | 3,714 | 4,194 |
| (ii) the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; | 1 | 1 |
| (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 | 1 | 1 |
| (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. | 1 | 1 |

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.

Trade payables ageing schedule for the year ended 31 March 2022

| Particulars | Not Due | 0 to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
|----------------------------|--------------|-----------------|--------------|--------------|-------------------|-----------------|
| (i) MSME | 11 | 3,311 | 355 | 8 | 29 | 3,714 |
| (ii) Others | 4,975 | 1,14,767 | 1,135 | (728) | 1,159 | 1,21,308 |
| (iii) Disputed dues- MSME | - | - | - | - | - | - |
| (iv) Disputed dues- Others | - | (729) | (156) | - | (324) | (1,209) |
| Grand Total | 4,986 | 1,17,349 | 1,334 | (720) | 864 | 1,23,813 |

Trade payables ageing schedule for the year ended 31 March 2021

| Particulars | Not Due | 0 to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
|----------------------------|--------------|---------------|--------------|--------------|-------------------|---------------|
| (i) MSME | (7) | 4,005 | 151 | 6 | 39 | 4,194 |
| (ii) Others | 6,636 | 67,710 | 1,182 | (962) | 2,303 | 76,869 |
| (iii) Disputed dues- MSME | - | - | - | - | - | - |
| (iv) Disputed dues- Others | - | 1,724 | - | 5 | 473 | 2,202 |
| Grand Total | 6,629 | 73,439 | 1,333 | (951) | 2,815 | 83,265 |

Note 15: Provisions

| Particulars | 31 March 2022 | | 31 March 2021 | |
|-------------------------------------|---------------|--------------|---------------|--------------|
| | Current | Non-Current | Current | Non-Current |
| Employee Benefit Obligations | | | | |
| Provision for leave encashment | 235 | 5,802 | 180 | 4,969 |
| Post Retirement Medical Scheme | 416 | 1,061 | 213 | 1,363 |
| | 651 | 6,863 | 393 | 6,332 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---------------------------|---------------|--------------|---------------|--------------|
| | Current | Non-Current | Current | Non-Current |
| Other Provisions | | | | |
| Insurance & cargo claims* | 728 | - | 498 | - |
| | 728 | - | 498 | - |
| Total | 1,379 | 6,863 | 891 | 6,332 |

| Short term provision | 31 March 2021 | Provided during the year | Utilised during the year | Amount reversed | 31 March 2022 |
|---------------------------|---------------|--------------------------|--------------------------|-----------------|---------------|
| Other Provisions | | | | | |
| Insurance & cargo claims* | 498 | 356 | 126 | - | 728 |
| Total | 498 | 356 | 126 | - | 728 |

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

Note 16: Deferred Tax Liabilities

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Deferred tax -upward valuation of PPE | - | 5,502 |
| Deferred tax -upward valuation of Financial Asset | 83 | 78 |
| Deferred Tax Liabilities(Net) | 83 | 5,580 |

Note 17: Other current liabilities

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---------------|-------------|---------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Deferred Trade Receivable (Contract Liability) (Refer Note no 33 for details) | 3,450 | - | 2,029 | - |
| Advances and Deposits | 4,809 | - | 8,960 | - |
| Others | | | | |
| Statutory dues | 4,597 | - | 4,389 | - |
| Others Current Liabilities | 25 | - | 22 | - |
| Subsidy for Maldives Service* | 1,307 | - | 1,248 | - |
| Interest Payable to GOI on deposits (Subsidy for Maldives Service) | 3 | - | 35 | - |
| Total other current liabilities | 14,191 | - | 16,683 | - |

*On 10th August 2020, Ministry of Ports, Shipping and Waterways (MoPSW) had sanctioned a subsidy of Rs 21.10 crores as assistance for running cargo shipping service between India and Maldives. The Male service was flagged off on 21st September 2020. The net expenditure incurred (Expenses less Income earned) pertaining to this service is booked against the Subsidy for Maldives Service. The balance amount is placed in Fixed Deposit and Interest earned against such deposit has been remitted to the Consolidated Fund of India.

Note 18: Liabilities directly associated with assets classified as held for sale

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Other current liabilities* | - | 21,788 |
| Total Liabilities of disposal held for sale | - | 21,788 |

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

Note 18 (a): Liabilities directly associated with assets held for Demerger

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Other current liabilities held for Demerger* | 21,788 | - |
| Lease Liabilities | 9 | - |
| Deferred tax -upward valuation of PPE | 5,502 | - |
| Total Liabilities of disposal held for Demerger | 27,299 | - |

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 19: Revenue From operations

| Particulars | 31 March 2022 | 31 March 2021 |
|---------------------------|-----------------|-----------------|
| Freight | 3,54,600 | 2,51,517 |
| Charter Hire | 1,11,387 | 83,224 |
| Demurrage | 10,409 | 18,185 |
| Contract Revenue: | | |
| Core shipping activities | 179 | 371 |
| Incidental activities | 7,359 | 6,824 |
| Reimbursement of expenses | 9,196 | 8,947 |
| Total | 4,93,130 | 3,69,068 |

Note 20: Other Operating Revenue

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Training & Consultancy fee | 2,168 | 956 |
| Sundry Receipts (Core) | 3 | 1 |
| Sundry Receipts (Incidental) | 52 | 18 |
| Excess Provisions & Unclaimed Credit Written Back | - | - |
| Recovery of Insurance & PI Claims | 4,102 | 282 |
| Total | 6,325 | 1,257 |

Note 21: Other Income

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Interest on financial assets carried at amortised cost | | |
| a) Fixed Deposits with Banks* | 4,207 | 4,572 |
| b) Loans to Employees | 192 | 146 |
| c) Loans to Joint Venture (Refer Note no.30) | 896 | 1,034 |
| d) Others | 1,961 | 809 |
| Dividend From Mutual Fund | - | - |
| Dividend From Joint Venture Companies | 394 | 2,911 |
| Other non operating income | | |
| Profit on Sale of Fixed Assets | | |
| a) Sale of Ships (Net) | - | - |
| b) Sale of Other Fixed Assets | - | 38 |
| Profit on sale of investments | 569 | 449 |
| Profit on sale of bunker | - | 69 |
| Gain or Loss on Fair valuation of investment | 24 | - |
| Excess Provisions & Unclaimed Credit Written Back | 690 | 157 |
| Net Gain on Foreign Currency Transaction / Translation | - | 2,322 |
| Subsidy to Indian Shipping Companies (promotion of flagging of merchant ships in India) | 1,405 | - |
| Other Miscellaneous Income | 66 | 49 |
| Total | 10,404 | 12,556 |

*This includes interest on Surplus FD (earmarked as per demerger scheme) of Rs 682.45 lakhs.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 22: Cost of services rendered

| Particulars | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Direct Operating Expenses : | | |
| Agency Fees | 1,196 | 1,018 |
| Brokerage | 5,939 | 2,644 |
| Commission | 1,449 | 429 |
| Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net) | 56,775 | 17,648 |
| Marine, Light And Canal Dues | 37,566 | 41,697 |
| Fuel Oil (Net) | 96,939 | 71,310 |
| Water Charges | 610 | 406 |
| Manning expenses | 404 | 33 |
| Honorarium & Training expenses | 347 | 190 |
| Hire Of Chartered Steamers | 35,205 | 22,987 |
| Other Indirect Operating Expenses | | |
| Transfer And Repatriation And Other Benefits | 101 | 91 |
| Stores & Spares | 19,861 | 18,210 |
| Sundry Steamer Expenses | 3,129 | 1,973 |
| Repairs And Maintenance and Survey Expenses | 18,095 | 13,307 |
| Insurance And Protection , Indemnity Club Fees & Insurance Franchise | 12,432 | 7,960 |
| Total | 2,90,048 | 1,99,903 |

Note 23: Employee benefit expense

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| A) Floating staff | | |
| Wages, Bonus And Other Expenses On Floating Staff | 26,726 | 25,412 |
| Gratuity* | 236 | 372 |
| Contribution To Provident Fund | 484 | 498 |
| Staff Welfare Expenses | 220 | 30 |
| B) Shore Staff | | |
| Salaries, Wages, Bonus etc | 18,415 | 18,866 |
| Gratuity* | 64 | 29 |
| Contribution To Provident Fund | 1,049 | 1,064 |
| Contribution To Pension | 1,058 | 1,073 |
| Staff Welfare Expenses** | 105 | (221) |
| C) Remuneration to Directors | 185 | 255 |
| Total | 48,542 | 47,378 |

*Refer Note no. 31 for further details

**Includes amount of Rs. 87.55 lakhs (Previous Year Rs (226.62) lakhs) amortisation of deferred employee cost as employee loans are measured at amortised cost.

Note 24: Finance costs

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
| Interest on: | | |
| - Rupee loans | - | - |
| - Foreign currency loans | 6,172 | 9,355 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| - Lease Liability | 218 | 225 |
| Exchange differences regarded as an adjustment to borrowing costs | 9,227 | (8,563) |
| Other borrowing costs* | 153 | 1,094 |
| Total | 15,770 | 2,111 |

* Includes amount of Rs. 142.32 lakhs (Previous Year Rs 1057.35 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 2022 | 31 March 2021 |
|---|---------------|---------------|
| Depreciation on Property, plant and equipment | 63,219 | 62,383 |
| Depreciation on Right of Use Assets* | 283 | 302 |
| Amortisation of Intangible Assets | 42 | 109 |
| Total | 63,544 | 62,794 |

*Refer Note no. 5 for further details

Note 26: Other expenses

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Other Expenses | | |
| Power & Fuel | 308 | 275 |
| Rent | 8 | 23 |
| Repairs and Maintenance | | |
| - Building | 639 | 523 |
| - Others | 1,442 | 1,108 |
| Insurance, Rates and Taxes | 137 | 214 |
| Auditors' Remuneration (Detail in Note no 26(a)) | 66 | 59 |
| Establishment Charges | 1,721 | 1,828 |
| Advertisement & Publicity | 40 | 39 |
| Legal & professional | 293 | 130 |
| Postage, Telephone Telegram & Telex | 67 | 81 |
| Printing & stationery | 39 | 40 |
| Training, Seminar & Conference Fee | 71 | 6 |
| Travel & Conveyance | 162 | 21 |
| Directors' Sitting Fees | 12 | 15 |
| Directors' Travel Expenses | 4 | 1 |
| Debts / Advances written off | 31 | 184 |
| Interest and Penalties | 165 | 26 |
| Bank Charges | 151 | 67 |
| Service tax ineligible for GEN VAT | - | - |
| GST ineligible ITC | 515 | 569 |
| CSR Expenditure (Detail in Note no 26(b)) | 605 | 213 |
| Net loss on Foreign Currency Transaction / Translation | 214 | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Loss on Fair valuation of investment | - | 13 |
| Loss on Sale of Assets | 135 | 484 |
| Demerger Expenses of SCILAL | 24 | - |
| Expenses - Non Core Assets | 377 | - |
| Provisions | | |
| Provision for Doubtful Debts and Advances | 781 | 1,281 |
| Foreign Taxation | 130 | 25 |
| Provision of Asset held for sale | - | (7) |
| Provision for loss on unfinished voyage | - | - |
| Loss allowances on Financial Assets | - | - |
| Total | 8,137 | 7,218 |

Note 26(a): Details of payments to auditors

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Payment to auditors | | |
| Statutory auditors | | |
| a) Audit fees | 38 | 32 |
| b) Certification Work | 28 | 27 |
| c) Travelling & Out of Pocket Expenses | - | - |
| Total | 66 | 59 |

Note 26(b): Corporate social responsibility expenditure

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| (i) Gross amount required to be spent by the Company during the year (2% of Average Net Profit as per section 135 (5)) | 605 | 195 |
| (ii) Surplus arising out of CSR Project | - | - |
| (iii) Set Off Available From Previous Years | - | - |
| Total CSR Obligation for the Year | 605 | 195 |
| Amount Approved by the Board to be spent during the year | 605 | 195 |
| Amount spent during the year | 398 | 117 |
| Set Off available for succeeding years | - | - |
| Amount Unspent during the year | 207 | 78 |

Amount spent during the year on:

| Particulars | 2021-22 | | | 2020-21 | | |
|--|---------|--------------------------|-------|---------|--------------------------|-------|
| | In Cash | Yet to be paid in Cash** | Total | In Cash | Yet to be paid in Cash** | Total |
| (i) Construction / acquisition of any asset | 236 | 6 | 242 | 44 | 19 | 63 |
| (ii) On Purposes Other than (i) above | | | - | | | - |
| Health and Sanitation | 44 | 57 | 101 | 42 | 36 | 78 |
| Contribution towards PMUY | - | - | - | - | - | - |
| Flagship Projects-CSR | 7 | 24 | 31 | 31 | 1 | 32 |
| Educational Scholarship | 46 | 8 | 54 | 15 | 20 | 35 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 2021-22 | | | 2020-21 | | |
|---------------------------------|------------|--------------------------|------------|------------|--------------------------|------------|
| | In Cash | Yet to be paid in Cash** | Total | In Cash | Yet to be paid in Cash** | Total |
| Swachh Bharat | - | - | - | - | - | - |
| Drinking Water | - | - | - | - | - | - |
| Covid-19 | 65 | 68 | 133 | 3 | 2 | 5 |
| Environment Sustianability | - | 44 | 44 | - | - | - |
| Transfer to Gol Fund | - | - | - | - | - | - |
| Total Expenses (ii) | 162 | 201 | 363 | 91 | 59 | 150 |
| Grand Total (i) and (ii) | 398 | 207 | 605 | 135 | 78 | 213 |

**Provisions made for liabilities incurred

Note 27: Earnings per share

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| (a) Basic and diluted earnings per share | | |
| Profit attributable to the equity holders of the company (A) | 79,479 | 61,810 |
| (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) | 46,57,99,010 | 46,57,99,010 |
| Basic and Diluted earnings per share attributable to the equity holders of the company (A/B) | 17.06 | 13.27 |

Note 28: Contingent Liabilities And Commitments

(a) Contingent Liabilities

| | Particulars | 31 March 2022 | 31 March 2021 |
|------|---|---------------|---------------|
| I. | Claims against the company not acknowledged as debts | | |
| | a) State Governments/ Local Authorities | 2,183 | 2,036 |
| | b) CPSEs | 674 | 1,473 |
| | c) Central Government Departments | | |
| | i) Income Tax * | 30,436 | 27,790 |
| | ii) Service Tax @ | 1,94,786 | 1,84,031 |
| | iii) Sales Tax & VAT | 131 | 131 |
| | d) Others # | 8,446 | 7,788 |
| II. | Guarantees given by the Banks | | |
| | On behalf of the company | 2,976 | 4,531 |
| | On behalf of Joint Venture to the extent of the company's share | 5,430 | 5,265 |
| III. | Undertaking cum Indemnity given by Company | 6,516 | 6,516 |
| IV. | Bonds/Undertakings given by the Company to Customs Authorities | 59,675 | 41,098 |
| V. | Corporate Guarantees/Undertakings | | |
| | a) In respect of Joint ventures | Nil | Nil |
| | b) Others | 1,947 | 3,028 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(b) Contingent Assets

| | Particulars | 31 March 2022 | 31 March 2021 |
|----|---|---------------|---------------|
| 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 | 358 |

(c) Commitments

| | Particulars | 31 March 2022 | 31 March 2021 |
|----|---|---------------|---------------|
| I. | Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for | 15,954 | 8,016 |
| | Uncalled liability on shares and other investments partly paid | Nil | Nil |
| | Other Commitments in the form of equity share with JVS | Nil | Nil |

* The following demands are not disclosed as contingent liability as the possibility of an outflow of resources embodying economic benefits is remote as assessed by the Company;

- (a) In case of AY 2013-14 & 2016-17 for which the assessments were re-opened and in case of AY 2017-18 for which the assessment has been completed, the Income Tax department has issued orders determining additional demand to the tune of Rs. 410 lakhs, 1083 lakhs and 1436 lakhs respectively. While going through the orders, it is noticed that there are errors in determining the income or allowing credit for tax paid. The Company has filed appeals against the said orders and is hopeful of getting the demand reversed. Further, the demands arising on account of the refunds received in the past in respect of the assessments for AY 2013-14 & 2016-17 are not considered for the purpose of disclosure as contingent liability, considering that the demands are expected to be reversed.
- (b) In respect of AY 2019-20 and AY 2020-21, the Income Tax department has issued order u/s 143(1) of the Income Tax Act, determining demand of Rs. 31115 lakhs in AY 2019-20 and lower refund to Rs 419 lakhs as compared to refund claimed of Rs 5611 lakhs in return of income filed for AY 2020-21. While going through the said orders, it is found that the demand amount has been determined on account of technical error and mistake apparent from record on the part of Income Tax department. The Company has received rectification order from the Income Tax department on similar items in respect of AY 2018-19. Accordingly, the Company is hopeful of getting the said orders for AY 2019-20 and 2020-21 rectified and is hopeful of getting the demand reversed/getting the refund claimed in the return of income.

@ includes a sum of Rs 97,774 lakhs as interest (previous year Rs 88,239 lakhs).

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Details of other Cases

| Sl. no. | Particulars | Brief Description | As at 31 March, 2021 | Addition | Deletion | As at 31 March, 2022 |
|---------|--|---|----------------------|----------|----------|----------------------|
| 1 | S Venkiteswaran - Chokhani Intl Ltd New Delhi-drydock of Dad-abhai Naoraji | MT. D.B. Naoraji 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. | 5,211 | 174 | - | 5,385 |
| 2 | Mercuria v/s SCI MT Maharshi Parashuram | 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 12th February 2012 and sailed for discharge port on 13th 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). | 37 | 1 | - | 38 |
| 3 | SCI Vs M/s Jyoti Marine, Kakinada | M/s Jyoti Marine had arranged slop reception facility for our vessel M.T. ABUL KALAM AZAD and de-slopping was carried out at inner anchorage on 10.10.2017. Invoice dated 01.01.2018 for amount Rs. 13.53 Lakhs was submitted and revised invoice on 23.07.2018. In view of non-payment till date party has claimed a total amount of INR 20.54 Lakhs with interest. | - | 21 | - | 21 |
| 4 | SCI VS M/s Amarante MV Vishva Diksha | M.V Vishva Diksha was fixed on a time charter with M/s Amarante for 3 voyages. On her last voyage, vessel called Bengkulu, Indonesia on 30-04-21 for loading about 55000mt Coal. However, on arrival part of the crew were found covid positive and hence, the loading operations were delayed. On 08-05-21, the port authorities instructed vessel to stop loading and proceed out of the port limits. In-view of the health conditions of the affected crew and also safety of the vessel and the crew on board, vessel was instructed to proceed to her disport in India. Vessel had loaded only about 33000mt cargo against planned about 55000mt. Charterers are now claiming deadfreight for short loading of cargo and also off-hire of all waiting period at Bengkulu and disport Kakinada citing the covid affected crew on board. | - | 232 | - | 232 |
| 5 | 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 Rs. 7 lakhs with interest at 24% p.a. which was forfeited by SCI for not fulfilling the terms & conditions of the tender. | 25 | 1 | - | 26 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Sl. no. | Particulars | Brief Description | As at 31 March, 2021 | Addition | Deletion | As at 31 March, 2022 |
|---------|--|---|----------------------|----------|----------|----------------------|
| 6 | 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 Rs. 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. | 34 | 1 | - | 35 |
| 7 | M.T. C V Raman (2013 case SYMCOM IMPEX claimant directed SCI to show cause as to why the loss to Sym-com 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 |
| 8 | Safesea Group | Invoices pertaining to years 2014 / 2015 / 2016 could not be settled owing to disputes relating to cargo quantity, change in freight due to shipment not loaded within agreed period, freight limit imposed by consignees etc. M/s.Safesea arrested SCI vessel, M.V.Vishva Anand at Durban to recover the outstanding amount. They have claimed outstanding amount plus interest plus legal costs. | 380 | 17 | - | 397 |
| 9 | M/s Lilly Maritime Pvt Ltd. – Plaintiff V/s The SCI Ltd. _ Defendant (MV Indira Gandhi). | Bill Of Entry documents pertaining to the Vessel importation at the time of Delivery or documents pertaining to filed Bill of Entry due to which buyer refused to take the delivery of the vessel after making the full payment and filed case against SCI for not providing above documents and sought for an interim relief against SCI on 03.05.2017. The H'onble Judge passed directive to take the delivery of the vessel and asked SCI to deposit 5% of Sales Tax dues with the court i.e The Prothonotary & Senior Master High Court Mumbai which SCI did. Vessel handed over to Buyer M/s Lilly on 22.05.2017. The buyer has filed notice of motion stating to refund the EMD and ROB amount after the joint bunker survey. | - | 132 | - | 132 |
| 10 | M/S N K Traders (2002 case) | Money claim against SCI for non-payment of party's bills of Rs. 29,91,871/- and the security deposit of Rs.1,25,000/ | 90 | 3 | - | 93 |
| 11 | 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 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Sl. no. | Particulars | Brief Description | As at 31 March, 2021 | Addition | Deletion | As at 31 March, 2022 |
|---------|---|--|----------------------|----------|----------|----------------------|
| 12 | BL Transport & BL Shipping agencies & United India Ins Co Ltd | Towards Repair cost of pay loader used for loading of barytee powder | 50 | 2 | - | 53 |
| 13 | 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 Rs. 1,25,000/-. | 10 | - | - | 10 |
| 14 | 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 |
| 15 | 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 Rs. 55,251/- | 1 | - | - | 1 |
| 16 | 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 Rs. 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 Rs. 1,30,000/- as death compensation. | 10 | - | - | 10 |
| 17 | Canteen Workers Lal Bavta | Lal Bavta Case (absorption of canteen contract worker) | 795 | 55 | - | 850 |
| 18 | M/s BHN Offshore Services Pvt Ltd | The Arbitration proceeding initiated by M/s BHN Offshore Services Pvt Ltd on 3rd May, 2021 (Manning agent of FP who was terminated) and his claim of Rs 19.75 lakhs incorporated. SCI filed Reply refuting all claims and justifying the reasons for the termination. SCI has also filed documentary evidence in the matter. | - | 20 | - | 20 |
| 19 | Kolkata Technical Fleet Personnel | Compensation related Fleet personnel cases | 209 | - | - | 209 |
| 20 | OSV | Compensation cases of OSV fleet personnel | 266 | - | - | 266 |
| 21 | Disability cases - Officers | Disability compensation of Fleet personnel (Officer) cases. | 23 | - | - | 23 |
| 22 | Disability - Crew | Disability compensation of Fleet personnel (Crew) cases. | 36 | - | - | 36 |
| 23 | Death Cases | Death compensation cases of Fleet personnel | 110 | - | - | 110 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Sl. no. | Particulars | Brief Description | As at 31 March, 2021 | Addition | Deletion | As at 31 March, 2022 |
|---------|-----------------------------------|---|----------------------|------------|----------|----------------------|
| 24 | Misc | Fleet personnel miscellaneous cases | 255 | - | - | 255 |
| 25 | PF and Gratuity Cases | Compensation cases of wages, PF & Gratuity | 29 | - | - | 29 |
| 26 | Manning agent (Wage/ PF/Gratuity) | Manning agent cases on wages, PF & Gratuity | 14 | - | - | 14 |
| | | Total | 7,788 | 658 | - | 8,446 |

- (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 Rs. 59,675 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.

| | As at 31 March, 2021 | Addition | Deletion | As at 31 March, 2022 |
|---|----------------------|---------------|------------|----------------------|
| a) State Governments/ Local Authorities | 2,036 | 147 | - | 2,183 |
| b) CPSEs | 1,473 | - | 799 | 674 |
| c) Central Government Departments | | | | |
| a) Income Tax | 27,790 | 2,828 | 182 | 30,436 |
| b) Service Tax | 1,84,031 | 10,755 | - | 1,94,786 |
| c) Sales Tax & VAT | 131 | - | - | 131 |
| d) Others | 7,788 | 658 | - | 8,446 |
| Total | 2,23,249 | 14,388 | 981 | 2,36,656 |

Note 29: Income taxes

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

(a) Deferred Tax

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Deferred tax relates to the following: | | |
| Upward fair valuation of PPE* | 5,502 | 5,502 |
| Deferred tax -upward valuation of Financial Asset | 83 | 78 |
| Net Deferred Tax Liabilities | 5,585 | 5,580 |

* Deferred Tax liability of Rs. 5,502 lakhs has been shown as Liabilities classified as held for demerger (Note No 18 (a)) w.e.f. 01.04.2021

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(b) Movement in deferred tax liabilities

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Opening balance as of April 1 2021 | 5,580 | 7,531 |
| Tax income/(expense) during the period recognised in profit or loss | 5 | (1,951) |
| Closing balance as at March 31 2022 | 5,585 | 5,580 |
| Deferred Tax liability has been shown as Liabilities classified as held for demerger (Note No 18(a)) w.e.f. 01.04.2021 | 5,502 | - |
| Deferred Tax liability has been shown under note no. 16 | 83 | 5,580 |

(c) Income tax recognised in profit or loss

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------------|---------------|---------------|
| Income tax expense | | |
| Current tax | | |
| Current tax on profits for the year | 4,230 | 3,611 |
| Tax pertaining to earlier years | 104 | 7 |
| Deferred tax | 5 | (1,951) |
| MAT Credit Entitlement | - | - |
| Income tax expense | 4,339 | 1,667 |

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

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Profit before income tax expense | 83,818 | 63,477 |
| Tax Rate | 25.17% | 25.17% |
| Tax on Profit before Tax | 21,097 | 15,977 |
| Less: Tax effect of income that are not taxable in determining taxable profit | (17,513) | (12,322) |
| Less: Tax effect of Dividend Income that are not taxable in determining taxable profit | (99) | (733) |
| Add: Impact of tonnage tax scheme | 696 | 694 |
| Less: Difference in tax gains and book gains (Capital gains) | (1) | (6) |
| Less: Reversal of DTL | 5 | (1,951) |
| Add: Excess provision - current tax | 50 | 1 |
| Add: Tax pertaining to earlier years | 104 | 7 |
| Less: Exempt income - Dividend from mutual funds | - | - |
| Add: MAT credit utilised for the year (Written off) | - | - |
| Income tax expense | 4,339 | 1,667 |
| Basis of applicable tax rate : | | |
| Normal Tax rate | 22% | 22% |
| Surcharge | 10% | 10% |
| Health and Education Cess | 4% | 4% |
| Applicable Tax rate | 25.17% | 25.17% |

(e) Current tax liabilities

| Particulars | 31 March 2022 | 31 March 2021 |
|---------------------------------------|---------------|---------------|
| Opening balance | - | - |
| Add: Current tax payable for the year | 4,230 | 3,611 |
| Less: Taxes paid | (4,230) | (3,611) |
| Closing balance | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 30 : Related party transactions

(a) Control

Government of India enterprises controlled by Central Government

(b) Subsidiaries

1. Inland & Coastal Shipping Ltd is 100 percent Subsidiary.
2. Shipping Corporation of India Land and Assets Limited is 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

Whole Time Directors

1. Smt. H. K. Joshi (CMD w.e.f. 12.09.2019 and Director[Finance] additional charge)
2. Shri. Rajesh Sood (ceased to be on Board w.e.f. 01.05.2021)
3. Smt Sangeeta Sharma (ceased to be on Board w.e.f. 01.12.2020)
4. Shri Surinder Pal Singh Jaggi (ceased to be on Board w.e.f. 01.12.2020)
5. Shri Atul Ubale (joined SCI Board on 05.12.2019)
6. Shri B.K. Tyagi (joined SCI Board on 07.01.2021)
7. Shri P.K. Gangopadhyay (joined SCI Board on 07.09.2021)

Company Secretary

1. Shri Dipankar Haldar, Executive Director (Legal Affairs & Company Secretary (ceased on 31.01.2022)
2. Smt. Swapnita Vikas Yadav (appointed as Company Secretary & Compliance Officer w.e.f. 01.02.2022)

Chief Financial Officer

1. Shri L C Serrao

(e) Non Executive Directors - Not KMPs

Independent Directors

1. Shri Vijay Tulshiramji Jadhao (ceased to be on the Board of SCI on 02.07.2021)
2. Shri Pramod Kumar Panda (joined SCI Board on 18.10.2019)
3. Shri Mavjibhai Sorathia (ceased to be on the Board on 17.12.2021)
4. Shri Gulabbhai Rohit (joined SCI Board on 22.11.2021)
5. Smt Arunima Dwivedi (joined SCI Board on 07.12.2021)
6. Shri K.N.P. Chakravarthy (joined SCI Board on 07.12.2021)
7. Shri Shreekanth Pattar (joined SCI Board on 07.12.2021)
8. Shri Dr. Anil Kumar Mishra (joined SCI Board on 07.12.2021)

Government Nominee Directors

1. Shri Sanjay Kumar (joined SCI Board on 29.01.2020)
2. Shri Vikram Singh (joined SCI Board on 02.06.2021)

Key management personnel compensation

| Name | Short-term employee benefits | | Post-employment benefits | | Long-term employee benefits | | Employee share-based payment | |
|-----------------------------------|------------------------------|---------------|--------------------------|---------------|-----------------------------|---------------|------------------------------|---------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| 1. Smt H.K Joshi | 53 | 43 | 10 | 9 | - | - | - | - |
| 2. Shri Rajesh Sood | 3 | 40 | 1 | 8 | - | - | - | - |
| 3. Smt Sangeeta Sharma | - | 40 | - | 5 | - | - | - | - |
| 4. Shri Surinder Pal Singh Jaggi | - | 52 | - | 5 | - | - | - | - |
| 5. Shri Atul Ubale | 40 | 34 | 8 | 7 | - | - | - | - |
| 6. Shri B.K. Tyagi | 40 | 15 | 8 | 2 | - | - | - | - |
| 7. Shri Prabir Kumar Gangopadhyay | 23 | - | 4 | - | - | - | - | - |
| 8. Shri Dipankar Halder | 37 | 40 | 7 | 8 | - | - | - | - |
| 9. Smt Swapnita Vikas Yadav | 5 | - | 1 | - | - | - | - | - |
| 10. Shri L C Serrao | 43 | 39 | 8 | 7 | - | - | - | - |
| Total | 244 | 303 | 47 | 51 | - | - | - | - |

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.

(f) Other transactions with related parties

The following transactions occurred with related parties:

| Nature of Transactions | 31 March 2022 | 31 March 2021 |
|------------------------|---------------|---------------|
| Sitting Fees | 12 | 15 |

(g) CMD is a Director on the Board of The Standard Club Ltd. where the club pays director sitting fee to SCI. A fees of Rs. 22 lakhs pertaining to FY 21-22, Rs.25 lakhs FY 20-21 and Rs.16 lakhs in FY 19-20 and Rs.13 lakhs in FY 18-19 was received by SCI , this amount was waived by CMD in favour of SCI and is not included in KMP remuneration.

(h) Transactions with JVS and Outstanding Balances are as follows:

| Nature of Transactions | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| 1) Interest Income during the year | 896 | 1,034 |
| 2) Expenses Reimbursed/(incurred) during the year | (8) | 112 |
| 3) Management & Accounting fees earned during the year | 2,128 | 2,065 |
| 4) Guarantee fees received during the year | 43 | 42 |
| 5) Investment made during the year | - | - |
| 6) Loans realised during the year | 4,169 | 2,022 |
| 7) Interest amount compounded in to principal during the year | - | - |
| 8) Dividend received | 394 | 2,911 |

| Outstanding Balances | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|
| 1) Investments | 7,408 | 7,408 |
| 2) Loan Balances | 18,540 | 22,100 |
| 3) Other Receivable | - | - |
| 4) Payable on account of Ship | 21,788 | 21,788 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Outstanding Balances | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| 5) Guarantees Given for JVS | 5,430 | 5,265 |
| 6) Interest receivable | 201 | 249 |
| 7) Expenses recoverable/ (payable) from JVs | (19) | 38 |

(i) Transactions with Subsidiary and Outstanding Balances are as follows:

| Nature of Transactions | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Investment made during the year | - | - |
| 1) Share Application Money | - | 100 |
| 2) Expenses Reimbursed during the year | 19 | 31 |
| 3) Share Allotment | 100 | - |
| 4) Loan Balances* | 50 | - |
| 5) Investment made during the year | 1 | - |

| Outstanding Balances | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| 1) Investment at the year end | 106 | 5 |
| 2) Share application money pending allotment | - | 100 |
| 3) Receivable as at year end | - | - |
| 4) Loan Balances* | 50 | - |

*Transactions with ICSSL (not at arm's length)- approved by Board & Audit Committee.

(j) 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 2022 | 31 March 2021 |
|---|-------------|---|---------------|---------------|
| Hindustan Petroleum Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 62,749 | 70,645 |
| Indian Oil Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 43,602 | 35,837 |
| Steel Authority Of India Ltd | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 25,945 | 12,589 |
| Oil And Natural Gas Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 23,004 | 20,013 |
| Mangalore Refinery and Petrochemicals Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 19,187 | 20,499 |
| Bharat Petroleum Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 15,633 | 30,955 |
| Chennai Petroleum Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 12,596 | 12,075 |
| Indian Oil Corporation Limited | Central PSU | Purchases of Bunker, Oil etc | 38,552 | 14,840 |
| Bharat Petroleum Corporation Limited | Central PSU | Purchases of Bunker, Oil etc | 17,257 | 2,965 |
| The Oriental Insurance Co. Ltd | Central PSU | Insurance etc. | 15,195 | 8,907 |
| Cochin Shipyard | Central PSU | Repair/Drydock of vessel | 3,395 | 11,498 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Name of related party | Relation | Nature of transaction | 31 March 2022 | 31 March 2021 |
|---|----------------------------|-----------------------------------|---------------|---------------|
| Oil And Natural Gas Corporation Limited | Central PSU | Recovery of Reimbursable expenses | 25,118 | 21,554 |
| Andaman & Nicobar Administration | A&N Admin | Recovery of Reimbursable expenses | 17,500 | 16,676 |
| Ministry of Earth Sciences | Ministry of Earth Sciences | Recovery of Reimbursable expenses | 3,220 | 3,474 |
| Geological Survey Of India | Ministry of Mines | Recovery of Reimbursable expenses | 8,482 | 4,874 |

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 2022 | 31 March 2021 |
|--|-------------------|--|---------------|---------------|
| Hindustan Petroleum Corporation Ltd. | Central PSU | Trade Receivable/(Advance from customer) | 9,075 | 9,907 |
| Bharat Petroleum Corporation Ltd. | Central PSU | Trade Receivable/(Advance from customer) | 2,350 | 5,711 |
| Indian Oil Corporation Ltd. | Central PSU | Trade Receivable/(Advance from customer) | 6,476 | 6,531 |
| Geological Survey Of India | Ministry of Mines | Trade Receivable/(Advance from customer) | (1,267) | (1,804) |
| Andaman and Nicobar Administration | Central PSU | Trade Receivable/(Advance from customer) | 14,483 | 5,281 |
| Indian Navy | Central PSU | Trade Receivable/(Advance from customer) | 3,253 | - |
| Cochin Shipyard Limited | Central PSU | Trade Payable/(Advance to vendor) | 802 | 10,067 |
| Indian Oil Corporation Limited | Central PSU | Trade Payable/(Advance to vendor) | 2,314 | 485 |
| Bharat Petroleum Corporation Ltd. | Central PSU | Trade Payable/(Advance to vendor) | 603 | - |
| Deendayal Port Trust (earlier referred as Kandla Port Trust) | Govt. Port Trust | Trade Payable/(Advance to vendor) | 487 | 86 |
| Cochin Port Trust | Govt. Port Trust | Trade Payable/(Advance to vendor) | (292) | 1 |
| Vizag Port Trust | Govt. Port Trust | Trade Payable/(Advance to vendor) | (551) | (855) |
| Haldia Dock Complex | Govt. Port Trust | Trade Payable/(Advance to vendor) | (254) | (4) |
| Paradeep Port Trust | Govt. Port Trust | Trade Payable/(Advance to vendor) | (209) | (141) |
| The Oriental Insurance Co Ltd. | Central PSU | Trade Payable/(Advance to vendor) | (936) | (126) |

(2) Other than Significant Transactions

Other than significant transactions carried out are as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Revenue | 59,433 | 27,721 |
| Purchases/services | 17,540 | 20,964 |
| Recovery of Reimbursable expenses | 3,234 | 3,450 |

Other than significant amount of balance receivable/payable from/to related parties are as follows:

| Outstanding Balances | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Trade Receivable/(Advance from customers) | 14,178 | 14,057 |
| Trade Payable/(Advance to vendors) | (968) | (2,745) |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(k) Details of Guarantees given

| Outstanding Balances | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Petronet LNG Limited | 5,430 | 5,232 |
| Oil & Natural Gas Corporation Limited | 2,267 | 3,014 |
| Oriental Insurance Company Limited | 1,975 | 1,501 |
| Other than significant balance of guarantee given to related parties | 680 | 1,011 |

(l) Details of Deposits

Amount in INR lakhs

| Particulars | Relation | Deposit Given/ (Received) | 31 March 2022 | 31 March 2021 |
|--------------------------------|------------------|---------------------------|---------------|---------------|
| Haldia Dock Complex | Govt. Port Trust | Deposit Given | 653 | 583 |
| Kolkata Port Trust | Govt. Port Trust | Deposit Given | 172 | 77 |
| The Oriental Insurance Co Ltd. | Central PSU | Deposit Given | 150 | 150 |

Transactions with other government-related entities

Apart from the transactions disclosed in (j), (k) and (l) 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.

(m) Trusts

Transactions with Post Retirement Plans managed through separate trust wherein SCI having control :

| Name of related party | Nature of transaction | 31 March 2022 | 31 March 2021 |
|--|-------------------------|---------------|---------------|
| 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 | 1,398 | 1,418 |
| 4. SCI Employee Superannuation Trust | Employer's Contribution | 1,053 | 1,067 |
| 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 employees defined contribution plan in the form of provident fund, post retirement medical scheme (New w.e.f. 01.01.2007) and pension contribution

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

The details of the plan are as follows:-

| | |
|---|--|
| i. Provident Fund | It is a contribution made on monthly basis @ 12% of monthly Basic and DA to the PF Trust who credits annual interest on PF balances. The corpus accumulated is paid on retirement of the employee. |
| ii. Post Retirement Medical Scheme (New w.e.f. 01.01.2007) | It is a contribution @ 4% of monthly Basic and DA towards provision of employees' medical expenses incurred after retirement. |
| iii. Pension contribution | It is a contribution @ 12% of monthly Basic and DA towards provision of annuity after retirement of employees. |

(B) Gratuity

Balance sheet amount (Gratuity Plan)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|----------------|
| 31-Mar-20 | 10,388 | 14,961 | (4,573) |
| Current service cost | 595 | - | 595 |
| Past service cost | - | - | - |
| Interest expense/(income) | 669 | 1001 | (332) |
| Total amount recognised in profit and loss | 1264 | 1001 | 263 |
| Remeasurements | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | 1050 | (1,050) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (142) | - | (142) |
| Experience (gains)/losses | (802) | - | (802) |
| (i) Amount recognised in other comprehensive income | (944) | 1050 | (1,994) |
| Employer contributions | | | |
| Benefit payments | (1,111) | (1,111) | 0 |
| Unrecognised Asset due to Limit in Para 64(b) | - | 0 | - |
| (ii) 31 March 2021 | 9,596 | 15,901 | (6,305) |
| (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)] | (944) | 1050 | (1,994) |
| Closing Balance Sheet (Asset) / Liability as on 31 March 2021 [(ii) + (iii) + (v)] | | | (6,305) |

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|--|-----------------------------|---------------------------|------------|
| 31-Mar-21 | 9,596 | 15,901 | (6,305) |
| Current service cost | 556 | - | 556 |
| Past service cost | - | - | - |
| Interest expense/(income) | 662 | 1,097 | (435) |
| Total amount recognised in profit and loss | 1,218 | 1,097 | 121 |

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) | - | (440) | 440 |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (162) | - | (162) |
| Experience (gains)/losses | (1,512) | - | (1,512) |
| (i) Amount recognised in other comprehensive income | (1,674) | (440) | (1,234) |
| Employer contributions | | | |
| Benefit payments | (931) | (931) | - |
| Unrecognised Asset due to Limit in Para 64(b) | - | - | - |
| (ii) 31 March 2022 | 8,209 | 15,627 | (7,418) |
| (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)] | (1,674) | (440) | (1,234) |
| Closing Balance Sheet (Asset) / Liability as on 31 March 2022 [(ii) + (iii) + (v)] | | | (7,418) |

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 March 2022 | 31 March 2021 |
|---|----------------|----------------|
| Present value of funded obligations | 8,209 | 9,596 |
| Fair value of plan assets | 15,627 | 15,901 |
| Deficit of funded plan | (7,418) | (6,305) |
| Unfunded plans | - | - |
| Unrecognised Asset due to Limit in Para 64(b) | - | - |
| Deficit of gratuity plan | (7,418) | (6,305) |

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

| Principal Assumptions at the balance sheet date: | | |
|--|---|---|
| Financial Assumptions | 31-Mar-22 | 31-Mar-21 |
| Discount Rate | 7.10% | 6.90% |
| Salary Escalation Rate-Shore Staff | 7.80% | 7.80% |
| Salary Escalation Rate-Floating Staff | 9.00% | 9.00% |
| Expected Return on Assets | 7.10% | 6.90% |
| Demographic Assumptions | 31-Mar-22 | 31-Mar-21 |
| 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 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Timing Related Assumptions | |
|----------------------------|--|
| Time of Retirement | Immediately on achieving normal retirement |
| Salary Increase frequency | Once a year |

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | 31-Mar-22 | | 31-Mar-21 | |
|--|-----------|----------|-----------|----------|
| Defined Benefit Obligation (Base) | 8209 | | 9596 | |
| Sensitivity Analysis | 31-Mar-22 | | 31-Mar-21 | |
| Table 14 : Sensitivity Analysis | Decrease | Increase | Decrease | Increase |
| Discount Rate | | | | |
| Impact of increase/decrease in 50 bps on DBO | 418 | (387) | 344 | (296) |
| Salary Growth Rate | | | | |
| Impact of increase/decrease in 50 bps on DBO | (196) | 206 | (289) | 328 |

| Change in the Unrecognised Asset due to the Asset Ceiling During the Period | 31-Mar-21 to 31-Mar-22 | 31-Mar-20 to 31-Mar-21 |
|---|------------------------|------------------------|
| 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 :

| | 31-Mar-22 | | | |
|--|---------------|--------------|---------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Government of India Securities | 8,985 | - | 8,985 | 57% |
| Debt instruments | | | | |
| Investment in Bonds | 1,790 | - | 1,790 | 11% |
| Other Assets including accrued interest | 1,003 | 277 | 1,280 | 8% |
| Investment in Deposits including Bank Balance | 0 | 3,593 | 3,593 | 23% |
| Total | 11,778 | 3,870 | 15,648 | 100% |

| | 31-Mar-21 | | | |
|--|---------------|--------------|---------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Government of India Securities | 9,668 | - | 9,668 | 61% |
| Debt instruments | | | | |
| Investment in Bonds | 400 | - | 400 | 3% |
| Other Assets including accrued interest | 1,015 | 216 | 1,231 | 8% |
| Investment in Deposits including Bank Balance | - | 4,603 | 4,603 | 29% |
| Total | 11,083 | 4,819 | 15,902 | 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 Rs.657 lakhs (Prev. period Rs.2051.22 lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

“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 10.21 years (2021 – 11.02 years).

(C) Leave Encashment (Unfunded)

Balance sheet amount (Leave Encashment)

| Particulars | Present value of obligation |
|---|-----------------------------|
| 31-Mar-20 | 5,422 |
| Current service cost | 431 |
| Interest expense/(income) | 368 |
| Actuarial (Gain)/loss from change in financial assumptions | (42) |
| Actuarial (Gain)/loss from change in demographic assumptions | - |
| Actuarial - Experience (gains)/losses | 112 |
| Total amount recognised in profit and loss | 868 |
| Employer contributions | |
| Benefit payments* | (1,140) |
| 31-Mar-21 | 5,150 |

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

| Particulars | Present value of obligation |
|---|-----------------------------|
| 31-Mar-21 | 5,150 |
| Current service cost | 412 |
| Interest expense/(income) | 355 |
| Actuarial (Gain)/loss from change in financial assumptions | (111) |
| Actuarial (Gain)/loss from change in demographic assumptions | - |
| Actuarial - Experience (gains)/losses | 1,149 |
| Total amount recognised in profit and loss | 1,805 |
| Employer contributions | |
| Benefit payments* | (919) |
| 31-Mar-22 | 6,036 |

The net liability disclosed above relates to unfunded plan are as follows:

| Particulars | 31-Mar-22 | 31-Mar-21 |
|---|--------------|--------------|
| Present value of unfunded obligations | 6,036 | 5,150 |
| Deficit of funded plan | 6,036 | 5,150 |
| Deficit of leave encashment plan | 6,036 | 5,150 |

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

| Principal Assumptions at the balance sheet date: | | |
|---|---|---|
| Financial Assumptions | 31-Mar-22 | 31-Mar-21 |
| Discount Rate | 7.10% | 6.90% |
| Salary Escalation Rate-Floating Staff | 9.00% | 9.00% |
| Demographic Assumptions | 31-Mar-22 | 31-Mar-21 |
| 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-22 | 31-Mar-21 |
|-----------------------------------|------------------|------------------|
| Defined Benefit Obligation (Base) | 6,036 | 5,150 |

| (M) Sensitivity Analysis | 31-Mar-22 | | 31-Mar-21 | |
|--|------------------|-----------------|------------------|-----------------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate | | | | |
| Impact of increase/decrease in 50 bps on DBO | 286 | (265) | 200 | (169) |
| Salary Growth Rate | | | | |
| Impact of increase/decrease in 50 bps on DBO | (237) | 253 | (209) | 219 |

The weighted average duration of the defined benefit obligation is 9.54 years (2021-11.02 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 |
|---|------------------------------------|----------------------------------|-------------------|
| 31-Mar-20 | 2,264 | 710 | 1,554 |
| Past service cost | - | - | - |
| Interest expense/(income) | 143 | 48 | 96 |
| Total amount recognised in profit and loss | 143 | 48 | 96 |
| Remeasurements | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (31) | - | (31) |

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 |
|--|-----------------------------|---------------------------|--------------|
| Experience (gains)/losses | (7) | 36 | (43) |
| Total amount recognised in other comprehensive income | (38) | 36 | (74) |
| Employer contributions | - | - | - |
| Benefit payments | (136) | (136) | - |
| 31-Mar-21 | 2,234 | 658 | 1,576 |

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|--------------|
| 31-Mar-21 | 2,234 | 658 | 1,576 |
| Past service cost | - | - | - |
| Interest expense/(income) | 154 | 41 | 113 |
| Total amount recognised in profit and loss | 154 | 41 | 113 |
| Remeasurements | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | - | - |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | 32 | - | 32 |
| Experience (gains)/losses | (191) | 54 | (245) |
| Total amount recognised in other comprehensive income | (159) | 54 | (213) |
| Employer contributions | - | - | - |
| Benefit payments | (221) | (221) | 0 |
| 31-Mar-22 | 2,008 | 532 | 1,476 |

The net liability disclosed above relates to funded and unfunded plans are as follows:

| Particulars | 31-Mar-22 | 31-Mar-21 |
|---|--------------|--------------|
| Present value of funded obligations | 2,008 | 2,234 |
| Fair value of plan assets | 532 | 658 |
| Deficit of funded plan | 1,476 | 1,576 |
| Unfunded plans | | |
| Deficit of Post Retirement Medical Benefit Scheme plan | 1,476 | 1,576 |

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

| Sensitivity Analysis | 31-Mar-22 | 31-Mar-21 |
|----------------------------|--|-------------------------------|
| Discount Rate | 6.20% | 6.90% |
| Expected Return on Assets | 6.20% | 6.90% |
| Demographic Assumptions | 31-Mar-22 | 31-Mar-21 |
| 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-22 | 31-Mar-21 |
|-----------------------------------|-----------|-----------|
| Defined Benefit Obligation (Base) | 2,008 | 2,234 |

| Table 12 : Sensitivity Analysis | 31-Mar-22 | | 31-Mar-21 | |
|--|-----------|----------|-----------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate | 92 | (43) | 85 | (75) |
| 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-22 | | | |
|---|-----------|------------|------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Investment in Deposits including Bank Balance | - | 506 | 506 | 95% |
| Other Assets including accrued interest | - | 26 | 26 | 5% |
| Total | - | 532 | 532 | 100% |

| | 31-Mar-21 | | | |
|---|-----------|------------|------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Investment in Deposits including Bank Balance | - | 616 | 616 | 94% |
| Other Assets including accrued interest | - | 42 | 42 | 6% |
| Total | - | 658 | 658 | 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 4.52 years (2021-10.21 years).

The expected future cash flows as at 31.03.2022 are as follows :

Projected benefits payable in future years from the date of reporting

| Expected Contribution | Gratuity | Leave Encashment | PRMS |
|-----------------------|----------|------------------|------|
| 1st following year | 519 | 251 | 442 |
| 2nd following year | 905 | 665 | 354 |
| 3rd following year | 517 | 345 | 310 |
| 4th following year | 777 | 611 | 271 |
| 5th following year | 592 | 410 | 235 |
| Years 6 to 10 | 4,520 | 3,844 | 739 |

The expected future cash flows as at 31.03.2021 are as follows :

Projected benefits payable in future years from the date of reporting

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Expected Contribution | Gratuity | Leave Encashment | PRMS |
|-----------------------|----------|------------------|-------|
| 1st following year | 1,148 | 186 | 219 |
| 2nd following year | 764 | 336 | 243 |
| 3rd following year | 914 | 602 | 274 |
| 4th following year | 526 | 413 | 316 |
| 5th following year | 783 | 517 | 364 |
| Years 6 to 10 | 3,236 | 2,662 | 1,274 |

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. With effect from 1st October 2020, the passenger and research vessels managed under the L&PS Division has been transferred to T&OS Division for better synergy of this function with the T&OS Division and good governance thereon.

(I) Liner

Liner segment includes break-bulk, container transport.

(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, income from technical consultancy and passenger vessels & research vessels managed on behalf of other organisations.

(V) Others

Others segment include income earned from Maritime Training Institute.

(VI) Unallocated

Unallocable items and interest income/expenses are disclosed separately.

Expense and Revenue items are allocated vessel wise wherever possible. Expenses and revenue items that cannot be allocated vessel wise are allocated on the basis of age of the vessel i.e. (Current year - Built year) + 1.

(b) Geographical Segments

Presently, the Company's operations are predominantly confined in India.

(c) Adjusted Earnings before Interest & Tax (EBIT)

Adjusted EBIT excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of gains or losses on financial instruments.

Interest income is not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

| EBIT | 31 March 2022 | 31 March 2021 |
|----------------------------|---------------|---------------|
| Liner | 61,227 | 7,595 |
| Bulk | 57,049 | 1,128 |
| Tanker | (28,315) | 50,770 |
| T&OS | 2,062 | (4,928) |
| Others | (255) | (869) |
| Unallocated | 564 | 5,331 |
| Total adjusted EBIT | 92,332 | 59,027 |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Adjusted EBIT reconciles to profit before income tax as follows:

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Total adjusted EBIT | 92,332 | 59,027 |
| Finance costs : | | |
| Liner | 5 | 5 |
| Bulk | 1,069 | 1,748 |
| Tanker | 1,761 | 1,268 |
| T&OS | 820 | 474 |
| Others | - | - |
| Unallocated | 12,115 | (1,384) |
| Total Finance costs | 15,770 | 2,111 |
| Interest income from investments | 7,256 | 6,561 |
| Profit before income tax from continuing operations | 83,818 | 63,477 |

Depreciation included in adjusted EBIT

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Liner | 1,888 | 1,882 |
| Bulk | 10,629 | 11,389 |
| Tanker | 44,239 | 42,585 |
| T&OS | 6,769 | 6,875 |
| Others | 19 | 63 |
| Unallocated | - | - |
| Total Depreciation included in adjusted EBIT | 63,544 | 62,794 |

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

| Segment | 31 March 2022 | | | 31 March 2021 | | |
|---|-----------------------|-----------------------|---------------------------------|-----------------------|-----------------------|---------------------------------|
| | Total segment revenue | Inter segment revenue | Revenue from external customers | Total segment revenue | Inter segment revenue | Revenue from external customers |
| Liner | 1,46,914 | - | 1,46,914 | 60,166 | - | 60,166 |
| Bulk | 1,15,299 | - | 1,15,299 | 52,646 | - | 52,646 |
| Tanker | 2,05,021 | - | 2,05,021 | 2,30,926 | - | 2,30,926 |
| T&OS | 32,690 | - | 32,690 | 26,494 | - | 26,494 |
| Others | 1,275 | - | 1,275 | 485 | - | 485 |
| Total Segment Revenue | 5,01,199 | - | 5,01,199 | 3,70,717 | - | 3,70,717 |
| Unallocated | 1,404 | - | 1,404 | 5,603 | - | 5,603 |
| Total segment revenue as per profit and loss | 5,02,603 | - | 5,02,603 | 3,76,320 | - | 3,76,320 |

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2022 and 31st March 2021 were as follows:

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Revenue from external customers | 31 March 2022 | | | 31 March 2021 | | |
|--------------------------------------|----------------|---------------|--------|----------------|---------------|--------|
| | Tanker segment | Liner Segment | Total | Tanker segment | Liner Segment | Total |
| Hindustan Petroleum Corporation Ltd. | 62,749 | - | 62,749 | 70,645 | - | 70,645 |
| Container Movement | - | 59,413 | 59,413 | - | 24,845 | 24,845 |

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 2022 | 31 March 2021 |
|---------------------------------|---------------|---------------|
| India | 4,09,577 | 3,07,226 |
| Singapore | 48,074 | 27,063 |
| Other Countries | 43,548 | 36,428 |
| Total | 5,01,199 | 3,70,717 |

(e) Segment assets

| Segment | 31 March 2022 | | 31 March 2021 | |
|--|------------------|--------------------------------|------------------|--------------------------------|
| | Segment assets | Addition to non-current assets | Segment assets | Addition to non-current assets |
| Liner | 47,680 | - | 51,204 | - |
| Bulk | 1,56,649 | - | 1,58,394 | - |
| Tanker | 5,56,647 | - | 5,47,999 | - |
| T & OS | 1,51,345 | - | 1,38,508 | - |
| Others | 1,549 | - | 861 | - |
| Total segment assets | 9,13,870 | - | 8,96,966 | - |
| Unallocated | 4,71,636 | - | 4,16,727 | - |
| Total assets as per the balance sheet | 13,85,506 | - | 13,13,693 | - |

(f) Segment liabilities

| Segment | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Liner | 43,732 | 90,731 |
| Bulk | 61,072 | 55,573 |
| Tanker | 89,511 | 60,194 |
| T & OS | 58,608 | 53,892 |
| Others | 301 | 328 |
| Total segment liabilities | 2,53,224 | 2,60,718 |
| Unallocated | 2,62,318 | 2,62,773 |
| Total liabilities as per the balance sheet | 5,15,542 | 5,23,491 |

Note 33: Revenue from Contract with customers

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

| | 31 March 2022 | 31 March 2021 |
|--------------------------------------|-----------------|-----------------|
| Revenue from Contract with Customers | 3,90,229 | 2,86,804 |
| Revenue from Other Sources | | |
| Charter hire (lease) | 1,11,387 | 84,550 |
| Other income | 8,243 | 11,527 |
| Total Revenue | 5,09,859 | 3,82,881 |

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segmentwise

| | 31 March 2022 | 31 March 2021 |
|----------------------|-----------------|-----------------|
| Liner | 1,46,914 | 58,754 |
| Bulk | 57,025 | 31,076 |
| Tanker | 1,69,131 | 1,81,520 |
| T&OS | 15,469 | 14,077 |
| Others | 1,275 | 485 |
| Unallocated | 415 | 892 |
| Total Revenue | 3,90,229 | 2,86,804 |

(B) Revenue from Contract with Customers – Geographical Location

| | 31 March 2022 | | | |
|----------------------|-----------------|--------------|---------------|-----------------|
| | India | Singapore | Others | Total |
| Liner | 1,20,796 | 14 | 26,103 | 1,46,914 |
| Bulk | 57,110 | (1) | (84) | 57,025 |
| Tanker | 1,52,947 | 8,582 | 7,602 | 1,69,131 |
| T&OS | 15,456 | - | 13 | 15,469 |
| Others | 291 | - | 985 | 1,275 |
| Unallocated | 50 | - | 365 | 415 |
| Total Revenue | 3,46,650 | 8,595 | 34,984 | 3,90,229 |

| | 31 March 2021 | | | |
|----------------------|-----------------|---------------|---------------|-----------------|
| | India | Singapore | Others | Total |
| Liner | 47,468 | (57) | 11,343 | 58,754 |
| Bulk | 31,175 | (170) | 71 | 31,076 |
| Tanker | 1,53,107 | 10,562 | 17,851 | 1,81,520 |
| T&OS | 14,198 | (27) | (93) | 14,078 |
| Others | 485 | - | - | 485 |
| Unallocated | 906 | - | (15) | 891 |
| Total Revenue | 2,47,339 | 10,308 | 29,157 | 2,86,804 |

C) On the basis of Timing of Revenue Recognition:

| | 31 March 2022 | | |
|-------------|------------------|--------------------|----------|
| | At Point in time | At Point over time | Total |
| Liner | 173 | 1,46,741 | 1,46,914 |
| Bulk | 4,580 | 52,445 | 57,025 |
| Tanker | 13,716 | 1,55,415 | 1,69,131 |
| T&OS | 15,290 | 179 | 15,469 |
| Others | 6 | 1,269 | 1,275 |
| Unallocated | 415 | - | 415 |

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| | 31 March 2022 | | |
|----------------------|------------------|--------------------|-----------------|
| | At Point in time | At Point over time | Total |
| Total Revenue | 34,180 | 3,56,049 | 3,90,229 |

| | 31 March 2021 | | |
|----------------------|------------------|--------------------|-----------------|
| | At Point in time | At Point over time | Total |
| Liner | 111 | 58,642 | 58,754 |
| Bulk | 828 | 30,248 | 31,076 |
| Tanker | 21,747 | 1,59,773 | 1,81,520 |
| T&OS | 13,707 | 371 | 14,078 |
| Others | 8 | 477 | 485 |
| Unallocated | 891 | - | 891 |
| Total Revenue | 37,292 | 2,49,511 | 2,86,804 |

Contract Asset

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Opening Balance of Contract Asset | 29,809 | 46,752 |
| Opening Balance reclassified as Trade Receivable in current period | 29,400 | 46,576 |
| Current year Contract Asset - Carried Forward | 45,603 | 29,633 |
| Closing Balance of Contract Asset | 46,012 | 29,809 |

Contract Liability

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Opening Balance of Contract Liability | 2,029 | 1,238 |
| Revenue Recognised from the opening balance of Contract Liability | 2,029 | 1,238 |
| Current year Contract liability - Carried Forward | 3,450 | 2,029 |
| Closing Balance of Contract Liability | 3,450 | 2,029 |

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 1.18 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 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 5 & 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 2021-22 :

| Amounts recognised in profit and loss | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Depreciation cost on right-of-use assets | 283 | 302 |
| Interest expenses (included in finance costs) | 210 | 225 |
| Expenses relating to service elements of leases | - | - |
| Expenses relating to short-term leases | 138 | 6,007 |
| Expenses relating to variable lease payments | - | - |
| Expenses relating to leases of low-value assets | - | - |
| Total recognised in operating costs | 631 | 6,534 |

Total cash outflow impact for leases for the year 2021-22 was Rs 364 lakhs, of which Rs 212 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:

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Not later than 1 year | 375 | 1,853 |
| Later than 1 year and not later than 5 years | 1,428 | 1,370 |
| Later than 5 Years | 1,595 | 2,026 |

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 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:

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Not later than 1 year | 31,069 | 36,187 |
| Later than 1 year and not later than 5 years | 25,369 | 4,373 |
| Later than 5 Years | - | - |

The Company's operating lease for vessels have terms ranging from less than 1 year to 5 years. Certain of the leases have varying terms and renewal rights.

Vessels on time charter hire are considered as operating lease.

Note 35: Assets pledged as security

| | Notes | 31 March 2022 | 31 March 2021 |
|---|-------|-----------------|-----------------|
| Current | | | |
| Financial Assets | | | |
| Other bank balances | 7(g) | 2,687 | 5,271 |
| Total current assets pledged as security | | 2,687 | 5,271 |
| Non-current | | | |
| Financial Assets | | | |
| Non-current investments | 7(a) | 7,359 | 7,359 |
| Non Financial Assets | | | |
| Property, Plant and Equipment | 3 | 5,82,813 | 6,02,514 |
| Total non-current assets pledged as security | | 5,90,172 | 6,09,873 |
| Total assets pledged as security | | 5,92,859 | 6,15,144 |

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Note 36: Offsetting Financial Assets and Financial Liabilities

The following table presents the recognised financial instruments and other agreements that can be offset but were not offset, as at March 31, 2022 and March 31, 2021. The column 'net amount' shows the impact on the Company's Balance Sheet if all set-off rights were exercised.

| | 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, 2022 | | | | | | |
| Financial assets | | | | | | |
| i. Investments | 7,838 | - | 7,838 | - | - | 7,838 |
| ii. Trade receivables | 63,721 | - | 63,721 | - | - | 63,721 |
| iii. Cash and cash equivalents | 13,698 | - | 13,698 | - | - | 13,698 |
| iv. Bank balances other than (iii) above | 1,26,993 | - | 1,26,993 | - | 2,687 | 1,24,306 |
| v. Loans | 21,051 | - | 21,051 | - | - | 21,051 |
| vi. Other financial assets | 74,221 | - | 74,221 | - | - | 74,221 |
| Total | 3,07,522 | - | 3,07,522 | - | 2,687 | 3,04,835 |
| Financial liabilities | | | | | | |
| i. Borrowings | 3,17,738 | - | 3,17,738 | - | - | 3,17,738 |
| ii. Lease Liabilities | 2,299 | - | 2,299 | - | - | 2,299 |
| iii. Trade payables | | | | | | |
| Micro, Small and Medium Enterprises | 3,714 | - | 3,714 | - | - | 3,714 |
| Others | 1,20,099 | - | 1,20,099 | - | - | 1,20,099 |
| iv. Other financial liabilities | 21,877 | - | 21,877 | - | - | 21,877 |
| Total | 4,65,727 | - | 4,65,727 | - | - | 4,65,727 |
| March 31, 2021 | | | | | | |
| Financial assets | | | | | | |
| i. Investments | 7,713 | - | 7,713 | - | - | 7,713 |
| ii. Trade receivables | 63,046 | - | 63,046 | - | - | 63,046 |
| iii. Cash and cash equivalents | 22,402 | - | 22,402 | - | - | 22,402 |
| iv. Bank balances other than (iii) above | 81,113 | - | 81,113 | - | 5,271 | 75,842 |
| v. Loans | 24,660 | - | 24,660 | - | - | 24,660 |
| vi. Other financial assets | 33,817 | - | 33,817 | - | - | 33,817 |
| Total | 2,32,751 | - | 2,32,751 | - | 5,271 | 2,27,480 |
| Financial liabilities | | | | | | |
| i. Borrowings | 3,65,438 | - | 3,65,438 | - | - | 3,65,438 |
| ii. Lease Liabilities | 2,462 | - | 2,462 | - | - | 2,462 |
| iii. Trade payables | | | | | | |
| Micro, Small and Medium Enterprises | 4,194 | - | 4,194 | - | - | 4,194 |
| Others | 79,071 | - | 79,071 | - | - | 79,071 |
| iv. Other financial liabilities | 21,052 | - | 21,052 | - | - | 21,052 |
| Total | 4,72,217 | - | 4,72,217 | - | - | 4,72,217 |

Note 37: Fair value measurements

Financial instruments by category

| | 31 March 2022 | | | 31 March 2021 | | |
|---|---------------|----------|-----------------|---------------|----------|-----------------|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 373 | - | - | 349 | - | - |
| - Mutual funds | - | - | - | - | - | - |
| Loans | - | - | 21,051 | - | - | 24,660 |
| Trade receivables | - | - | 63,721 | - | - | 63,046 |
| Cash and cash equivalents | - | - | 13,698 | - | - | 22,402 |
| Other bank balances | - | - | 1,26,993 | - | - | 81,113 |
| Bank deposits with more than 12 months maturity | - | - | 19,231 | - | - | - |
| Derivative financial assets | - | - | - | - | - | - |
| Other financial assets | - | - | 54,990 | - | - | 33,817 |
| Total financial assets | 373 | - | 2,99,684 | 349 | - | 2,25,038 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 2,57,615 | - | - | 3,08,643 |
| Lease Liabilities | - | - | 2,299 | - | - | 2,462 |
| Trade payables | - | - | 1,23,813 | - | - | 83,265 |
| Current maturities of long term debt | - | - | 60,123 | - | - | 56,795 |
| Other financial liabilities | - | - | 21,877 | - | - | 21,052 |
| Total financial liabilities | - | - | 4,65,727 | - | - | 4,72,217 |

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

| Financial assets measured at fair value - recurring fair value measurements At 31 March 2022 | 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) | - | - | 373 | 373 |
| Total financial assets | | - | - | 373 | 373 |

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| Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2022 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|-----------------|---------------|-----------------|
| Financial assets | | | | | |
| Loans to related parties | 7(b) | - | - | 18,590 | 18,590 |
| Loans to others | 7(b) | - | - | 2,292 | 2,292 |
| Bank deposits | 7(c) | - | 19,231 | - | 19,231 |
| Total financial assets | | - | 19,231 | 20,882 | 40,113 |
| Financial Liabilities | | | | | |
| Borrowings | 14(a) | - | 2,74,742 | - | 2,74,742 |
| Security deposits | 14(c) | - | - | 135 | 135 |
| Total financial liabilities | | - | 2,74,742 | 135 | 2,74,877 |

| Financial assets measured at fair value - recurring fair value measurements At 31 March 2022 | 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 -Woodlands Multispeciality Hospital Ltd. | 7(a) | - | - | 349 | 349 |
| Total financial assets | | - | - | 349 | 349 |

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2021 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|-----------------|---------------|-----------------|
| Financial assets | | | | | |
| Investments | | | | | |
| Loans to related parties | 7(b) | - | - | 21,507 | 21,507 |
| Loans to others | 7(b) | - | - | 2,361 | 2,361 |
| Bank deposits | 7(c) | - | - | - | - |
| Total financial assets | | - | - | 23,868 | 23,868 |
| Financial Liabilities | | | | | |
| Borrowings | 14(a) | - | 3,23,173 | - | 3,23,173 |
| Security deposits | 14(c) | - | - | 33 | 33 |
| Total financial liabilities | | - | 3,23,173 | 33 | 3,23,206 |

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

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 2022 and 31 March 2021:

| Particulars | Unlisted Equity Securities |
|---|----------------------------|
| As at 1st April 2020 | 362 |
| Gains(losses) recognised in Statement of profit or loss | (13) |
| As at 31 March 2021 | 349 |
| Gains(losses) recognised in Statement of profit or loss | 24 |
| As at 31 March 2022 | 373 |

| Particulars | Fair Value as at | | Significant unobservable inputs | Sensitivity | |
|--|------------------|---------------|---------------------------------|---|------|
| | 31 March 2022 | 31 March 2021 | | 2022 | 2021 |
| Valuation inputs and relationship to fair value - Investment in Equity Securities held for Demerger/sale (non recurring) | 7 | 7 | Net book values | Not applicable | |
| Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)* | 373 | 349 | Net book values | increase (decrease) in the book value would result in increase (decrease) in fair value | |

* Net book value as on 31st March, 2022 is calculated based on latest available Financial Statements (i.e. 31st March 2021)

(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

| | 31 March 2022 | | 31 March 2021 | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Loans to related parties | 18,590 | 18,590 | 21,507 | 21,507 |
| Loans to employee | 2,292 | 2,292 | 2,361 | 2,361 |
| Bank deposits | 19,231 | 19,231 | - | - |
| Total financial assets | 40,113 | 40,113 | 23,868 | 23,868 |
| Financial Liabilities | | | | |
| Borrowings | 2,74,742 | 2,74,742 | 3,23,173 | 3,23,173 |
| Security deposits | 135 | 135 | 33 | 33 |
| Total financial liabilities | 2,74,877 | 2,74,877 | 3,23,206 | 3,23,206 |

The carrying amounts of trade receivables, trade payables, short term security deposits, bank deposits with more than 12 months maturity,

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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 2022 | 31 March 2021 |
|---|---------------|---------------|
| Gross carrying amount of trade receivables | 88,382 | 85,708 |
| Less : Expected credit losses | 9,298 | 9,649 |
| Less : Provision made separately for bankrupt/terminated agents | 3,702 | 2,629 |
| Less : Other Provision(i.e. Off Hire, Demurrage, others) | 11,661 | 10,384 |
| Carrying amount of trade receivables (net of impairment) | 63,721 | 63,046 |

(iv) Reconciliation of loss allowance provision (ECL)- Trade receivables :

| Particulars | Amount |
|--|--------------|
| Loss allowance on 31st March 2020 | 8,469 |
| Changes in loss allowance | 1,180 |
| Loss allowance on 31st March 2021 | 9,649 |
| Changes in loss allowance | (351) |
| Loss allowance on 31st March 2022 | 9,298 |

(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 2022 | Less than 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|------------------|-----------------------|-------------------|-----------------|
| Borrowings | 1,09,055 | 2,12,216 | 12,130 | 3,33,401 |
| Trade payables | 1,23,813 | - | - | 1,23,813 |
| Lease Liabilities | 375 | 1,428 | 1,595 | 3,398 |
| Security and other deposits | 866 | 135 | - | 1,001 |
| Others financial liabilities | 20,876 | - | - | 20,876 |
| Total liabilities | 2,54,985 | 2,13,779 | 13,725 | 4,82,489 |

| Contractual maturities of financial liabilities 31 March 2021 | Less than 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|------------------|-----------------------|-------------------|-----------------|
| Borrowings | 1,05,126 | 2,47,168 | 31,674 | 3,83,968 |
| Trade payables | 83,265 | - | - | 83,265 |
| Lease Liabilities | 1,853 | 1,370 | 2,026 | 5,249 |
| Security and other deposits | 1,068 | 33 | - | 1,101 |
| Others financial liabilities | 19,951 | - | - | 19,951 |
| Total liabilities | 2,11,263 | 2,48,571 | 33,700 | 4,93,534 |

(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 bank accounts abroad.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

| | 31 March 2022 | | | 31 March 2021 | | |
|------------------------------|---------------|-------|--------|---------------|-------|--------|
| | USD | EUR | Others | USD | EUR | Others |
| Financial assets | | | | | | |
| Non Current Loans & Advances | 18,540 | - | - | 21,507 | - | - |
| Non Current Other Assets | 397 | - | - | - | - | - |
| Current assets | 6,636 | - | 48 | 3,472 | - | 47 |
| Current Loans & Advances | - | - | - | 592 | - | - |
| Cash and cash equivalents | 1,486 | 3,417 | 1,295 | 332 | 1,838 | 2,161 |

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| | 31 March 2022 | | | 31 March 2021 | | |
|--|-----------------|--------------|--------------|-----------------|--------------|--------------|
| | USD | EUR | Others | USD | EUR | Others |
| Other Bank Balances | - | - | - | - | - | - |
| Trade Receivables | 22,788 | 5,159 | 8,099 | 18,159 | 6,229 | 6,437 |
| Exposure to foreign currency risk (assets) | 49,847 | 8,576 | 9,442 | 44,062 | 8,067 | 8,645 |
| Financial liabilities | | | | | | |
| Long Term (Non-Current) Borrowings | 2,14,619 | - | - | 2,66,378 | - | - |
| Other current Liabilities | 1,798 | 48 | 93 | 5,561 | 77 | 377 |
| Short Term Borrowings | 1,03,119 | - | - | 99,060 | - | - |
| Trade Payables | 51,141 | 5,895 | 6,690 | 16,939 | 6,721 | 7,472 |
| Exposure to foreign currency risk (liabilities) | 3,70,677 | 5,943 | 6,783 | 3,87,938 | 6,798 | 7,849 |
| Total current liabilities | - | - | - | 21,788 | - | - |
| Total exposure to foreign currency risk (liabilities) | 3,70,677 | 5,943 | 6,783 | 4,09,726 | 6,798 | 7,849 |

(b) Sensitivity

The following table details the Company's sensitivity to a 3% increase/ decrease in INR as against USD and 4% increase / decrease in INR as against EUR. The sensitivity analysis includes only foreign currency denominated monetary items.

| | Impact on profit after tax | |
|---|----------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| USD sensitivity | | |
| INR/USD -Increase by 3% (31 March 2021- 3%) | (9,625) | (10,970) |
| INR/USD -Decrease by 3% (31 March 2021- 3%) | 9,625 | 10,970 |
| EUR sensitivity | | |
| INR/EUR -Increase by 4% (31 March 2021- 3%) | 105 | 38 |
| INR/EUR -Decrease by 4% (31 March 2021- 3%) | (105) | (38) |

(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:

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Variable rate borrowings | 3,18,365 | 3,66,208 |
| Total borrowings at variable rate | 3,18,365 | 3,66,208 |

(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.

| | Impact on profit after tax | |
|---|----------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Interest rates – increase by 100 basis points (100 bps) | (3,184) | (3,662) |
| Interest rates – decrease by 100 basis points (100 bps) | 3,184 | 3,662 |

(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. Informatively, as per GST return filed during FY 2021-22, Export Revenue of the company is Rs. 151,814 lakhs (previous year Rs. 100,091 lakhs).

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 total debt divided by total equity.

| | 31 March 2022 | 31 March 2021 |
|---------------------------------|---------------|---------------|
| Total Debt | 3,17,738 | 3,65,438 |
| Total Equity | 8,69,964 | 7,90,202 |
| Net debt to equity ratio | 0.37 | 0.46 |

(b) Loan covenants

The company has 2 ECB Loan Agreements with two banks and both banks are having financial covenant of Debt Service Coverage Ratio (DSCR). The Corporation is comfortably meeting all the financial loan covenants for both the banks for the Financial Year 2021-22.

Note 40

As per the guidelines dated 27.5.2016 issued by Department of Investment and Public Asset Management (DIPAM), MOF, GOI in respect of dividend, bonus shares, etc. the Company has an obligation to comply with these guidelines. However, the company shall take in to consideration and be guided by the provisions of the Companies Act 2013, Companies (Declaration and Payment of Dividend) Rules, 2014 and Guidance Note on Dividend & Secretarial Standard 3 (SS3) for taking necessary action appropriate and deemed fit in the circumstances.

Note 41

The matter of payment of Performance Related Pay (PRP) of Rs.1,103 lakhs vis-à-vis DPE guidelines w.r.t. computation of profits from core activities and non-observance of "Bell Curve" is continued since the FY 2014-15. The ATNs furnished by the Ministry of Ports, Shipping and Waterways (MoPSW) are yet to be examined by Committee of Public Undertakings. The Company is pursuing the matter with the aforesaid Ministry and awaiting their further instructions for resolution and final decision in the matter to take appropriate action.

Note 42

The USD Libor would be replaced by Secured Overnight Financing Rate (SOFR) for the foreign currency loans of the Corporation. The SOFR rate is below the Libor rate. The Banks would be adding "Credit Adjustment Factor" (CAF) for the loans while changing the benchmark rate. Hence, in the scenario of other business parameters unchanged, it is expected that the lenders would adjust the CAF to the extent of difference of Libor and SOFR and thus the impact of finance cost would remain unchanged.

Note 43

The impact of current wave of the COVID-19 continued in FY 2021-22. The pandemic effect on the crude oil demand and its associated market dynamics continued to have an adverse impact on the Tanker market earnings. However, Liner freight indices witnessed significant improvement in charter rates. Even with relaxed travel restrictions, crew change continued to be a challenging aspect during the first half of the financial year. However, during last quarter no Covid 19 impact was felt. The Company has assessed the current scenario basis internal and external information available and believes that there is no impact on its ability to continue operations and meet its financial commitments.

Note 44

(a) The proposed strategic disinvestment of SCI is being handled by Department of Investment and Public Asset Management (DIPAM) with the engagement of necessary advisors. In this regard Preliminary Information Memorandum (PIM) for inviting expression of interest was released on 22nd December, 2020. The Virtual Data Room is open and is being managed by the Transaction Advisor for the process of

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

due diligence by the Qualified Interested Parties.

- (b) The Demerger Scheme ('the Scheme') for hiving off the identified non-core assets has been approved by the SCI Board on 03.08.2021. Pursuant to instructions of Ministry of Ports, Shipping and Waterways (MoPSW), the Company has incorporated a 100 % subsidiary viz. Shipping Corporation of India Land and Assets Limited (SCILAL) for the demerger of Non-Core assets on 10.11.2021 in terms of the Scheme. The Board of SCILAL has approved the Scheme on 16.11.2021. The Scheme has been approved by the stock exchange vide approval dated 02.03.2022.

Subsequent to the approval of Scheme by the Boards of SCI as well as SCILAL, assets and liabilities to be transferred to SCILAL have been categorised as Non-Core Assets / Liabilities Held for Demerger and consequential impact has been given in Profit and Loss account w.r.t reversal of amortisation of deferred tax liability, depreciation and foreign exchange loss.

Post approval of the Scheme by MCA, the assets and liabilities pertaining to the said non-core assets will be transferred to SCILAL basis the appointed date mentioned in the Scheme as per the book value as on 31.03.2021 and from 16.11.2021, income and expenses related to Non-Core assets as per the Scheme will be accordingly transferred to SCILAL.

MoPSW vide their letter dated 22.04.2022 has directed SCI to expedite the process of de-merger of non-core assets of SCI to SCILAL and also requested the Board of SCI to review the demerger scheme for demerging the non-core assets of SCI to SCILAL including Shipping House, Mumbai and MTI, Powai to complete the process of de-merging all the non-core assets to the new company SCILAL on immediate basis prior to the completion of Share Purchase Agreement and suggested certain modification in the Scheme. Such modifications do not have any impact on carrying value of non core assets in the financial statements. The implementation of the Scheme including the modified scheme is in process and considering the reiteration by MoPSW and DIPAM to expedite the demerger process, there is a certainty of completion of the process in the near future, and accordingly, the relevant disclosures with continued accounting effects have been considered in the financial statements.

Note 45

The Company has the practice of seeking confirmations of balances from all the parties in respect of the Trade Receivables, Trade Payables and Deposits. . During the year, the Company has sent letters to all such parties seeking confirmations of balances. There are fewer responses to the confirmation requests. The company is in the process of following up with the parties for the purpose of recovery / payment of dues. In case of Trade Receivables, 52% of the Total Trade receivables pertains to Government and public Sector Undertaking customers. While the reconciliation is an on-going process, the management does not expect any material difference affecting the financial results due to the same.

Note 46

The Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13th November 2020 and has invited suggestion from stakeholders. The Central Government on 30th March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the same once the Code becomes effective.

Note 47

The Board of Directors recommended a dividend of Rs 0.33/- per equity share of face value of Rs. 10/- each. The outgo on this account will be approximately Rs. 1,551 Lakhs, subject to the approval of members at the ensuing Annual General Meeting.

Note 48

On March 24, 2021, The Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendment has revised Division I, II, and III of Schedule III and are applicable from April 1, 2021. The Company has implemented the same.

Note 49

The company has paid Rs. 100 lakhs to its subsidiary Inland & Coastal Shipping Ltd. (ICSL) towards share application money against the rights issue of the subsidiary during FY 2020-21. The shares has been allotted during FY 2021-22.

Note 50

The Company is undertaking a review of all open charges as per MCA records and taking necessary action for filing of satisfaction of charges for which liability has already been discharged.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 51

(a) Title deeds of Immovable Property not held in the name of the Company as at 31 March 2022

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|--|
| Ownership Flats & Residential Buildings held for Demerger | GONDAVALI APTS (10 Flats) | 18.79 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Transfer of title deeds to SCI's name not done. |
| | CHITRAKOOT APTS (2 Flats) | 4.57 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1969 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | KAVITA APTS (1 Flat) | 2.62 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Transfer of title deeds to SCI's name not done. |
| | LANDS END APTS (1 Flat) | 2.76 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | AJANTA APTS (1 Flat) | 2.35 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1985 | Society has been requested to issue a duplicate share certificate. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | RAJHANS APTS (1 Flat) | 1.47 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1966 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | SOMMERSET HOUSE (1 Flat) | 4.20 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | ANITA APTS (1 Garage) | 0.12 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1972 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|---|
| | ASHARYA APTS (1 Garage) | 0.16 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1965 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | SATNAM APTS (1 Garage) | 0.1 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1975 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | VIJAY APTS (3 Garage) | 0.7 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1968 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |

Note: in respect of above 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.

(b) Title deeds of Immovable Property not held in the name of the Company as at 31 March 2021

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|--|
| Ownership Flats & Residential Buildings held for Demerger | GONDAVALI APTS (10 Flats) | 18.79 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | CHITRAKOOT APTS (2 Flats) | 4.57 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1969 | Share certificates are available. Efforts are being made to trace sale agreements from society |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|---|
| | KAVITA APTS (1 Flat) | 2.62 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | LANDS END APTS (1 Flat) | 2.76 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | AJANTA APTS (1 Flat) | 2.35 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1985 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |
| | RAJHANS APTS (1 Flat) | 1.47 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1966 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | SOMMERSET HOUSE (1 Flat) | 4.20 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | ANITA APTS (1 Garage) | 0.12 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1972 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |
| | ASHARYA APTS (1 Garage) | 0.16 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1965 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | SATNAM APTS (1 Garage) | 0.1 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1975 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|---|
| | VIJAY APTS (3 Garage) | 0.7 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1968 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |

Note: in respect of above 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.

(c) There were no Benami properties held by the company during FY 2021-22 & FY 2020-21 and no proceedings had been initiated against the company under Benami Transactions (Prohibition) Act , 1988(45 of 1988).

Note 52 :Relation with Struck Off Company

| Name of Struck Off Company | Nature of Transactions | Transactions during the year | Balance Outstanding at the end of the year as at 31 March 2022 | Relationship with the Struck Off Company |
|------------------------------------|------------------------|------------------------------|--|--|
| SAIL SCI Shipping Company Pvt.Ltd. | Investment in Shares | - | 10 | Joint Venture |

| Name of Struck Off Company | Nature of Transactions | Transactions during the year | Balance Outstanding at the end of the year as at 31 March 2021 | Relationship with the Struck Off Company |
|------------------------------------|------------------------|------------------------------|--|--|
| SAIL SCI Shipping Company Pvt.Ltd. | Investment in Shares | - | 10 | Joint Venture |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 53 : Analytical Ratios

| SR NO. | Ratio | Numerator | Denominator | UNITS | 31 March | | Variance |
|--|---|--|------------------------------|------------|----------|---------|----------|
| | | | | | 2022 | 2021 | |
| | Ratio | Ratio | | | | | |
| 1) | Current Ratio (Current Assets/Current Liabilities) | Current Assets | Current Liabilities | Times | 1.83 | 0.95 | 92.63 |
| Reason For Variance :- The ratio is increased mainly due to transfer of non core assets to held for demerger as per demerger scheme. | | | | | | | |
| 2) | Debt- Equity Ratio (Total Debt/Shareholder's Equity) | Total Debt | Shareholder's Equity | Times | 0.37 | 0.46 | (19.57) |
| Reason For Variance :- | | | | | | | |
| 3) | Debt Service Coverage Ratio (Earnings available for debt service/Debt Service) | Earnings available for debt service | Debt Service | Times | 2.48 | 1.15 | 115.65 |
| Reason For Variance :- The ratio has improved mainly due to increase in the earnings. | | | | | | | |
| 4) | Return on Equity (ROE) (Net Profits after taxes – Preference Dividend/Average Shareholder's Equity) | Net Profits after taxes less Preference Dividend | Average Shareholder's Equity | Percentage | 9.57 | 8.13 | 17.71 |
| Reason For Variance :- | | | | | | | |
| 5) | Inventory Turnover Ratio (Cost of goods sold or sales/Average Inventory) | Cost of goods sold or sales | Average Inventory | Times | 7.39 | 6.51 | 13.52 |
| Reason For Variance :- | | | | | | | |
| 6) | Trade receivables turnover ratio (Net Credit Sales/Avg. Accounts Receivable) | Net Credit Sales | Avg. Accounts Receivable | Times | 7.88 | 5.99 | 31.55 |
| Reason For Variance :- The ratio has improved due to timely collection of Trade Receivables. | | | | | | | |
| 7) | Trade payables turnover ratio (Net Credit Purchases/Average Trade Payables) | Net Credit Purchases | Average Trade Payables | Times | 2.80 | 2.24 | 25.00 |
| Reason For Variance :- The ratio has decreased mainly due to increase in Trade payables. | | | | | | | |
| 8) | Net capital turnover ratio (Net Sales/Working Capital) | Net Sales | Working Capital | Times | 2.06 | (28.98) | (107.11) |
| Reason For Variance :- The ratio is increased mainly due to transfer of non core assets to held for demerger as per demerger scheme. | | | | | | | |
| 9) | Net profit ratio (Net Profit/Net Sales) | Net Profit | Net Sales | Percentage | 15.91 | 16.69 | (4.67) |
| Reason For Variance :- | | | | | | | |

NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| SR NO. | Ratio | Numerator | Denominator | UNITS | 31 March | | Variance |
|--|--|--|---|------------|----------|-------|----------|
| | | | | | 2022 | 2021 | |
| | | | | | Ratio | Ratio | |
| 10) | Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed | Percentage | 8.35 | 5.65 | 47.79 |
| | Earning before interest and taxes/Capital Employed | | | | | | |
| Reason For Variance :- The ratio is Improved mainly due to increase in the earnings. | | | | | | | |
| 11) | Return on investment - Mutual Funds | $\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\text{Sum } [W(t) * C(t)]}$ | $\frac{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}{\text{Sum } [C(t)]}$ | Percentage | 3.43 | 3.40 | 0.88 |
| | | | | | | | |
| Reason For Variance :- | | | | | | | |
| | Return on investment - Shares (Majority investment are in Joint Ventures) | $\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\text{Sum } [W(t) * C(t)]}$ | $\frac{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}{\text{Sum } [C(t)]}$ | Percentage | 35.10 | 28.31 | 23.98 |
| | | | | | | | |
| Reason For Variance :- | | | | | | | |

Note 54

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 54 of 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 Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner

CA Kiran Bhoir
Partner
Membership No. 046050

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

**To the Members of
The Shipping Corporation of India Limited
Report on the Audit of the Consolidated Financial Statements
Opinion**

We have audited the accompanying Consolidated Financial Statements of The Shipping Corporation of India Limited (hereinafter referred to as "the Holding Company") 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, 2022, 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 then ended, and notes to the Consolidated Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated 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 Financial Statements and on the other financial information of the subsidiary and joint ventures, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2022, 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 Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 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 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 Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated 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 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>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.</p> <p>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. • Assessing the reasonableness of fair value of vessel considered by the management by comparing the same with the valuations provided by external professional valuers. |
| 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 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></p> <p>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><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. |

INDEPENDENT AUDITOR'S REPORT

Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Financial Statements:

1. Note no.41 on the matter continued since FY 2014-15 regarding payment of Performance Related Pay (PRP) of Rs.1,103 lakhs vis-a-vis DPE guidelines with respect to computation of profits from core activities and non-observance of "Bell Curve". The Company is pursuing the matter with the Ministry of Ports, Shipping and Waterways for resolution and final decision.
2. Note no.44(a) regarding selection of the Company for Strategic Disinvestment process by the Government of India. The disinvestment process and the procedural aspects in relation to the same are in progress.
3. Note no.44(b) regarding the status of implementation of the demerger scheme for hiving off the identified non-core assets of SCI to SCILAL and the management representation that considering the direction from the Ministry of Ports, Shipping and Waterways to SCI from time to time including re-iteration dated 22.04.2022 to expedite the process of demerger and certainty of completion of the same in the near future, the necessary disclosures and continued accounting effects considered in the financial statements, has been relied upon.
4. Note no.45 regarding the practice of seeking balance confirmations in respect of Trade receivables, Trade payables and Deposits, the process of reconciliation and the management's assertion that it would not have any material difference affecting the financial results.

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 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 Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 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 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 Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated

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 Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its 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 respective Board of Directors either intends to liquidate their respective entities 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 also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

INDEPENDENT AUDITOR'S REPORT

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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated 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 Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with

governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current 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 Financial Statements of two subsidiary Companies, whose Financial Statements reflects total assets of Rs.79.70 lakhs as at March 31, 2022, total revenues of Rs.38.23 lakhs and net cash outflows amounting to Rs.63.27 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include Group's share of net profit of Rs.6,587.96 lakhs for the year ended March 31, 2022, as considered in the Consolidated Financial Statements, in respect of three joint ventures viz., ILT 1, 2 & 3, whose Financial Statements have not been audited by us. These Financial Statements have been audited by their respective independent auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these 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. These conversion adjustments made by the Company's management have been audited and certified by the independent chartered accountants. 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 the independent chartered accountants.

- (b) The Consolidated Financial Statements also include Group's share of net profit of Rs. 544.44 lakhs for the year ended March 31, 2022, as considered in the Consolidated Financial Statements, in respect of joint venture ILT-4. This Financial Statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of 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

INDEPENDENT AUDITOR'S REPORT

venture, is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the management, these Financial Statements are not material to the Group including its joint ventures.

Our opinion on the Consolidated 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 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 Financial Statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated 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 Financial Statements;
 - d. In our opinion, the aforesaid Consolidated 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 and Subsidiary 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 No. G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs (the "Notification").
 - 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 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 Financial Statements;
 - ii. Provision has been made in the Consolidated 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.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 47 to the consolidated financial statements-
The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by the statutory auditors of the subsidiaries included in the

consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

3. 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
FRN: 109208W

CA G.Sankar
Partner
Membership No.46050
UDIN: 22046050AINEME9572

Place: Mumbai
Date: 06.05.2022

For CHOKSHI & CHOKSHI LLP,
Chartered Accountants
FRN: 101872W/W100045

CA Kiran Bhoir
Partner
Membership No.159960
UDIN: 22159960AINFNL5146



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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 Financial Statements for the year ended March 31, 2022]

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 Financial Statements of The Shipping Corporation of India Limited ("Holding Company") as of and for the year ended March 31, 2022, 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 respective companies 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 issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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, which are companies incorporated in India.

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.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Holding Company and its 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, 2022, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI,



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

the internal financial controls with reference to financial statements of Holding Company and its subsidiary company were operating effectively as of March 31, 2022.

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 auditors of such company.

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

CA G.Sankar
Partner
Membership No.46050
UDIN: 22046050AINEME9572

**Place: Mumbai
Date: 06.05.2022**

**For CHOKSHI & CHOKSHI LLP,
Chartered Accountants
FRN: 101872W/W100045**

CA Kiran Bhoir
Partner
Membership No.159960
UDIN: 22159960AINFNL5146

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Annexure 2(a) - Directions under Section 143(5) of the Companies Act, 2013

On the Accounts of The Shipping Corporation of India Limited for the financial year 2021-22

| 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 and other major operating software's such as Danaos, Afsys etc. All these software's are integrated with each other and 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 observed during the course of audit and explained to us, 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. | <p>As observed during the course of audit and explained to us, the Company has received two subsidies in earlier years, status of the same is as follows:</p> <p>a) During the financial year 2020-21, the Company has received subsidy amounting to Rs.21.10 crores for carrying out Cargo Shipping Service between India and Maldives and out of the above, an amount of Rs.8.03 crore has been utilised as per the terms and conditions specified in the sanction letter dated 10.08.2020.</p> <p>Further, the unutilized amount of Rs.13.07 crores has been disclosed as liability after adjusting the expenses net of income against the subsidy amount as on 31.03.2022. The balance amount is placed in Fixed Deposit and Interest earned against such deposit will be remitted to the Consolidated Fund of India after finalisation of accounts. Also, the same is in compliance with the provisions of Ind AS 20 Government Grants.</p> <p>b) Related to Myanmar Service, the Company has accounted and utilised the grant as per its terms and conditions and the amount spent in excess of the grant amounting to Rs.4.67 crores is shown as receivable and provision for doubtful advances is created on the same</p> | <p>Impact</p> <p>No Impact</p> |

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure 2(b) - Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of The Shipping Corporation of India Limited for the financial year 2021-22

| 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 observed during the course of audit and explained to us, no substantial portion of revenue booked / invoices raised by the company are reversed or cancelled except that in the 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 or 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 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 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 year-end is correctly reflected under the "Liability" head in Balance Sheet? | Yes, as observed during the course of audit at the end of the year and explained to us, 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
FRN: 109208W

CA G. Sankar
Partner
Membership No.46050
UDIN: 22046050AINEME9572

Place: Mumbai
Date: 06.05.2022

For CHOKSHI & CHOKSHI LLP,
Chartered Accountants
FRN: 101872W/W100045

CA Kiran Bhoir
Partner
Membership No.159960
UDIN: 22159960AINFNL5146

CONSOLIDATED BALANCE SHEET

The Shipping Corporation of India Limited

Consolidated Balance Sheet

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|---|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 7,60,655 | 10,15,287 |
| Capital work-in-progress | 4 | 5,831 | 3,266 |
| Right-of-use asset | 5 | 1,809 | 2,101 |
| Other intangible assets | 6 | 9 | 50 |
| Investments accounted for using the equity method | 6(a) | 47,204 | 35,072 |
| Financial assets | | | |
| i. Investments | 7(a) | 373 | 349 |
| ii. Loans | 7(b) | 20,832 | 22,741 |
| iii. Other financial assets | 7(c) | 20,086 | 443 |
| Deferred tax assets (net) | | - | - |
| Income tax assets (net) | 8 | 21,202 | 19,477 |
| Other non-current assets | 9 | 13,019 | 11,241 |
| Total non-current assets | | 8,91,020 | 11,10,027 |
| Current assets | | | |
| Inventories | 10 | 17,482 | 8,769 |
| Financial assets | | | |
| i. Investments | 7(d) | - | - |
| ii. Trade receivables | 7(e) | 63,732 | 63,050 |
| iii. Cash and cash equivalents | 7(f) | 13,709 | 22,477 |
| iv. Bank balances other than (iii) above | 7(g) | 1,26,993 | 81,113 |
| v. Loans | 7(b) | 169 | 792 |
| vi. Other financial assets | 7(c) | 54,162 | 33,275 |
| Other current assets | 9 | 18,768 | 20,756 |
| Total current assets | | 2,95,015 | 2,30,232 |
| Assets classified as held for sale | 11 | - | 7 |
| Non-core assets held for demerger | 11(a) | 2,39,239 | - |
| Total assets | | 14,25,274 | 13,40,266 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 46,580 | 46,580 |
| Other equity | 13 | 6,25,747 | 7,70,173 |
| Other equity held for demerger | 13(a) | 2,37,359 | - |
| Total equity | | 9,09,686 | 8,16,753 |

CONSOLIDATED BALANCE SHEET

The Shipping Corporation of India Limited

Consolidated Balance Sheet

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14(a) | 2,14,619 | 2,66,378 |
| ii. Lease liabilities | 14(b) | 2,101 | 2,243 |
| iii. Other financial liabilities | 14(c) | 135 | 33 |
| Provisions | 15 | 6,863 | 6,335 |
| Deferred tax liabilities (net) | 16 | 83 | 5,580 |
| Total non-current liabilities | | 2,23,801 | 2,80,569 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 14(d) | 1,03,119 | 99,060 |
| ii. Lease liabilities | 14(b) | 198 | 219 |
| iii. Trade payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | 14(e) | 3,714 | 4,194 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 14(e) | 1,20,108 | 79,071 |
| iv. Other financial liabilities | 14(c) | 21,742 | 21,019 |
| Other current liabilities | 17 | 14,229 | 16,702 |
| Provisions | 15 | 1,378 | 891 |
| Total current liabilities | | 2,64,488 | 2,21,156 |
| Liabilities directly associated with assets classified as held for sale | 18 | - | 21,788 |
| Liabilities directly associated with assets classified as held for demerger | 18(a) | 27,299 | - |
| Total liabilities | | 5,15,588 | 5,23,514 |
| Total equity and liabilities | | 14,25,274 | 13,40,266 |

The accompanying note no. 1 to 57 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 Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

The Shipping Corporation of India Limited

Consolidated Statement of Profit and Loss

(All amounts in INR lakhs, unless otherwise stated)

| Sr. No | Particulars | Notes | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--------|---|-------|-----------------------------|-----------------------------|
| I | Revenue from operations | 19,20 | 4,99,493 | 3,70,329 |
| II | Other income | 21 | 10,405 | 12,556 |
| III | Total Income (I+II) | | 5,09,898 | 3,82,885 |
| IV | Expenses | | | |
| | Cost of services rendered | 22 | 2,90,168 | 1,99,931 |
| | Employee benefits expense | 23 | 48,542 | 47,378 |
| | Finance costs | 24 | 15,770 | 2,111 |
| | Depreciation and amortisation expense | 25 | 63,544 | 62,794 |
| | Other expenses | 26 | 8,145 | 7,219 |
| | Total expenses (IV) | | 4,26,169 | 3,19,433 |
| V | Profit/(Loss) before exceptional items, share of net profits of investments accounted for using equity method and tax (III-IV) | | 83,729 | 63,452 |
| VI | Share of net profit of associates and joint ventures accounted for using equity method | | 7,132 | 7,824 |
| VII | Profit/(Loss) before exceptional items and tax (V+VI) | | 90,861 | 71,276 |
| VIII | Exceptional items | | - | - |
| IX | Profit/(Loss) before tax (VII+VIII) | | 90,861 | 71,276 |
| X | Tax expense | 29 | | |
| | Current tax | | 4,230 | 3,611 |
| | Tax pertaining to earlier years | | 104 | 7 |
| | Deferred tax | | 5 | (1,951) |
| | Total tax expense (X) | | 4,339 | 1,667 |
| XI | Profit/(Loss) for the period (IX-X) | | 86,522 | 69,609 |
| XII | Other comprehensive income | | | |
| | <i>Items that will not be reclassified to profit or loss:</i> | | | |
| | Remeasurements gain/(loss) of defined benefit plans | | 1,447 | 2,068 |
| | Share of OCI of associates and joint ventures, net of tax | | 6,128 | 203 |
| | Other comprehensive income for the period, net of tax (XII) | | 7,575 | 2,271 |
| XIII | Total comprehensive income for the period (IX+X) | | 94,097 | 71,880 |
| XIV | Earnings per equity share | 27 | | |
| | (1) Basic earnings per share (in ₹) | | 18.58 | 14.94 |
| | (2) Diluted earnings per share (in ₹) | | 18.58 | 14.94 |

The accompanying note no. 1 to 57 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 Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

For and on behalf of the Board of Directors,

Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

CONSOLIDATED CASH FLOW STATEMENT

The Shipping Corporation of India Limited

Consolidated Cash flow statement

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| A Cash flow from operating activities | | |
| Profit/(Loss) before income tax | 90,861 | 71,276 |
| Adjustments for | | |
| Add: | | |
| Depreciation and amortisation expenses | 63,544 | 62,794 |
| Finance costs | 6,543 | 10,674 |
| Bad debts and irrecoverable balances written off | 31 | 184 |
| Provision for doubtful debts | 781 | 1,281 |
| Write off of fixed assets | 135 | 484 |
| Foreign currency fluctuations | 14,699 | (8,388) |
| Less: | | |
| Dividend received from Joint Ventures | (394) | (2,911) |
| Interest received | (7,257) | (6,561) |
| Share of profit of associates and joint ventures | (7,132) | (7,824) |
| Excess Provisions written back | (690) | (157) |
| Profit on sale of investment | (569) | (449) |
| Surplus on sale of fixed assets | - | (38) |
| Change in non-current investment due to fair valuation | (24) | 13 |
| Change in operating assets and liabilities | | |
| (Increase)/Decrease in Trade Receivables | (310) | (3,120) |
| (Increase)/Decrease in Other current / Non-current Assets | (21,203) | 22,288 |
| (Increase)/Decrease in inventories | (8,713) | 4,378 |
| Increase/ (Decrease) in Trade Payables | 37,172 | (10,545) |
| Increase/(Decrease) in Other current / Non-current Liabilities | 2,945 | 3,626 |
| | 1,70,419 | 1,37,005 |
| Cash generated from operations | | |
| Income taxes paid | (6,059) | (2,983) |
| Net cash inflow from operating activities (A) | 1,64,360 | 1,34,022 |
| B Cash flow from investing activities: | | |
| Purchase of property, plant and equipment/ intangible assets | (49,223) | (19,673) |
| Sale proceeds of property, plant and equipment | 6 | 57 |
| Dividend Received from Joint Ventures | 394 | 2,911 |
| Purchase/sale of investments (net) | 569 | 454 |
| Loan remitted / Recovery to/from employees and Joint venture | (1,753) | 1,799 |
| Other deposits with banks | (65,111) | (11,814) |
| Advances and other deposits | 43 | 171 |
| Interest received | 7,114 | 5,448 |
| Net cash inflow / (outflow) from investing activities (B) | (1,07,961) | (20,647) |
| C Cash flow from financing activities | | |
| Long term loans repaid | (56,814) | (67,646) |
| Short term loans borrowed/(repaid) | (556) | (31,662) |
| Interest paid | (6,211) | (11,189) |

CONSOLIDATED CASH FLOW STATEMENT

The Shipping Corporation of India Limited

Consolidated Cash flow statement

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Dividend paid | (1,161) | (3,486) |
| Payment of lease liability | (152) | (142) |
| Other financing costs | (365) | (1,318) |
| Net cash outflow from financing activities (C) | (65,259) | (1,15,443) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (8,860) | (2,068) |
| Cash and cash equivalents at the beginning of the financial year | 22,477 | 24,478 |
| Exchange difference on translation of foreign currency cash and cash equivalents | 92 | 67 |
| Cash and cash equivalents at the end of the year** | 13,709 | 22,477 |
| ** Comprises of | | |
| Balances with banks in current accounts# | 8,923 | 19,564 |
| Balances with banks in deposits account with original maturity of less than three months @ | 4,786 | 2,913 |
| Total | 13,709 | 22,477 |

#Balances with banks in current accounts unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|----------------------------|---------------|---------------|
| Unspent CSR money | 3 | - |
| Unpaid dividend | 10 | 7 |
| Unspent Staff welfare fund | 115 | - |
| Total | 128 | 7 |

@ Balances with banks in deposits account with original maturity of less than three months unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Unutilized Govt. subsidy fund of Male service | 200 | - |
| Superannuation Fund | 3,625 | - |
| Total | 3,825 | - |

The accompanying note no. 1 to 57 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 Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

For and on behalf of the Board of Directors,

Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited
(All amounts in INR lakhs, unless otherwise stated)
Consolidated Statements of changes in Equity

For the Year ended 31st March 2022

A. Equity Share Capital

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 4,65,79,90,100 | - | - | - | 4,65,79,90,100 |

For the Year ended 31st March 2021

| Balance at the beginning of the previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period |
|---|--|--|--|---|
| 4,65,79,90,100 | - | - | - | 4,65,79,90,100 |

B. Other Equity

For the Year ended 31st March 2022

| Particulars | Reserves and Surplus | | | | | | | | | | | | | Total | | | |
|---|---|---|-----------------|--------------------|-----------------|---------------------|--------------------------------|-------------------|-------------------------------------|---|---|---------------------------------------|---------------------|---------|---|--|---------------------------------------|
| | Share application money pending allotment | Equity component of compound financial instrument | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | Retained Earnings | Retained Earnings held for Demerger | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants |
| Balance at the beginning of the current reporting period | - | - | 15,205 | 52,177 | 5,53,527 | 12,450 | - | 1,42,877 | - | - | - | (4,857) | - | (1,206) | - | - | 7,70,173 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited
(All amounts in INR lakhs, unless otherwise stated)
Consolidated Statements of changes in Equity

For the Year ended 31st March 2022

| Particulars | Reserves and Surplus | | | | | | | Total |
|---|---|---|-----------------|--------------------|-----------------|---------------------|--------------------------------|----------|
| | Share application money pending allotment | Equity component of compound financial instrument | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | |
| Total Comprehensive Income for the current year | - | - | - | - | - | - | 87,969 | 87,969 |
| Dividends | - | - | - | - | - | - | (1,164) | (1,164) |
| Dividend distribution tax paid | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | - |
| Transfer to Tonnage tax reserve | - | - | - | - | - | - | (14,210) | (14,210) |
| Transfer from surplus in Statement of Profit & Loss account | - | - | - | - | - | 14,210 | - | 14,210 |
| Transfer to Tonnage tax reserve (utilised) | - | - | - | - | - | - | - | - |
| Retained Earnings held for Demerger | - | - | - | - | - | - | - | - |
| Debt instruments through Other Comprehensive Income | - | - | - | - | - | - | - | - |
| Equity Instruments through Other Comprehensive Income | - | - | - | - | - | - | - | - |
| Effective portion of Cash Flow Hedges | - | - | - | - | - | - | 5,241 | 5,241 |
| Revaluation Surplus | - | - | - | - | - | - | - | - |
| Exchange differences on translating the financial statements of a foreign operation | - | - | - | - | - | - | 887 | 887 |
| Other items of Other Comprehensive Income (specify nature) | - | - | - | - | - | - | - | - |
| Money received against share warrants | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited
(All amounts in INR lakhs, unless otherwise stated)
Consolidated Statements of changes in Equity

For the Year ended 31st March 2021

| Particulars | Reserves and Surplus | | | | | | | | | | Total | | | | | | |
|--|---|--|-----------------|--------------------|-----------------|---------------------|--------------------------------|-------------------|-------------------------------------|---|-------|---|---------------------------------------|---------------------|---|--|---------------------------------------|
| | Share application money pending allotment | Equity component of compound financial instruments | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | Retained Earnings | Retained Earnings held for Demerger | Debt instruments through Other Comprehensive Income | | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants |
| Balance at the beginning of the previous reporting period | - | - | 15,205 | 52,177 | 5,53,527 | 2,100 | - | 85,043 | - | - | - | (8,689) | - | 2,423 | - | - | 7,01,786 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the previous year | - | - | - | - | - | - | - | 71,677 | - | - | - | 3,832 | - | (3,629) | - | - | 71,880 |
| Dividends | - | - | - | - | - | - | - | (3,493) | - | - | - | - | - | - | - | - | (3,493) |
| Dividend distribution tax paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Tonnage tax reserve | - | - | - | - | - | - | - | (10,350) | - | - | - | - | - | - | - | - | (10,350) |
| Transfer from surplus in Statement of Profit & Loss account | - | - | - | - | - | 10,350 | - | - | - | - | - | - | - | - | - | - | 10,350 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Shipping Corporation of India Limited
(All amounts in INR lakhs, unless otherwise stated)
Consolidated Statements of changes in Equity

For the Year ended 31st March 2021

| Particulars | Reserves and Surplus | | | | | | | | | | | Total | | | | |
|---|---|--|-----------------|--------------------|-----------------|---------------------|--------------------------------|-------------------|-------------------------------------|---|---|-------|---------------------------------------|---------------------|---|--|
| | Share application money pending allotment | Equity component of compound financial instruments | Capital Reserve | Securities Premium | General Reserve | Tonnage Tax Reserve | Tonnage Tax Reserve (Utilised) | Retained Earnings | Retained Earnings held for Demerger | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) |
| Transfer to Tonnage tax reserve (utilised) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer from Tonnage tax reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Capital Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to General Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of the previous reporting period | - | 15,205 | 52,177 | 5,53,527 | 12,450 | - | 1,42,877 | - | - | - | (4,857) | - | (1,206) | - | - | 7,70,173 |

The accompanying notes no. 1 to 57 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 Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

For and on behalf of the Board of Directors,

Mrs. Swapnita Vikas Yadav
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 6th May, 2022

Mumbai, Dated the 6th May, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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. The Group’s owned fleet includes Bulk Carriers, Crude Oil Tankers, Product Tankers, Container Vessels, LPG/LNG Carrier and Offshore Supply Vessels. In addition, Group manages a large number of vessels on behalf of various government departments and other organizations. The registered office of the Company is located at Shipping House, 245, Madame Cama Road, Nariman Point, Mumbai - 400 021.

Authorisation of Financial Statements: The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 6th May, 2022.

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. 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 Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) to the extent applicable and current accounting practices prevailing within the Shipping Industry 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 on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial asset and financial liabilities;
- Defined Benefits Plans – Plan assets.

Fair value is the price that would be received on sale of 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 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
- For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(c) Current/Non- Current Classification:

The assets and liabilities reported in the balance sheet are classified as “current/non-current” as per the Group’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Current assets are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group or within 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 balance sheet date.

- (d) All material prior period errors are adjusted retrospectively in the first set of financial statements approved for issue after their discovery by:
 - (i) Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
 - (ii) 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.
- (e) 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.

(f) Amended Standards adopted by the Group-

(i) Amendment in Ind AS 107 (Financial Instruments: Recognition, Presentation and Disclosure)

The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like -

- A. the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, and how the entity manages these risks; and
- B. the entity’s progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

The Group has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on financial statements.

(ii) Amendments in IND AS 109 (Financial Instruments)

The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of

the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The Group has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on financial statements.

(iii) **Amendments in Ind AS 116 (Leases)**

The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.

The Group has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on financial statements.

(iv) **Ind AS amendment with respect to issuance of Conceptual Framework.**

Ind AS 32, Ind AS 103, Ind AS 106, Ind AS 114, Ind AS 1, Ind AS 8, Ind AS 34, Ind AS 37 and Ind AS 38 have been amended consequent to issuance of Conceptual Framework for financial reporting under Ind AS. The Group has applied the above amendment w.e.f. 01.04.2021. However, adoption of above Ind AS does not have any effect on 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 2022.

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 2021 to 31st March 2022 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 results of ILT 4 for the period January 2022 to March 2022 are added to January 21 to December 2021 audited financial results whereas audited financial results of ILT 1, ILT 2, ILT 3 and limited reviewed results of ILT 4 for the period Jan 2021 to March 2021 are deducted to arrive financial results for the period April 2021 to March 2022 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 Presentational 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 presentation currency.

(b) Transactions and Balances

All foreign currency transactions are recorded at the previous

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, GBP, 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 Indian Rupees 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 Indian Rupees 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 rate 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 outstanding as on 31.03.2016, exchange difference is adjusted in the carrying cost of respective assets. b) In respect of long term loans taken 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.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 for bringing the asset to the condition of its intended use. 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. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

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 expenditures on dry-dock are depreciated until the next planned dry-docking and derecognised on recognition of new dry dock asset.

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. 5,000/- 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.

Depreciation on additions / deductions to PPE made during the year is provided on pro-rata basis from / up to the date of such additions / deductions, as the case may be.

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 for bringing the asset to the condition of its intended use.

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 useful lives of intangible assets are either finite or indefinite. Finite-life intangible assets are amortised on a straight line basis over the period of their estimated useful lives. An intangible asset having indefinite useful life is not amortised but is tested for impairment annually. 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 include interest, ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings availed on or after April 1, 2016, to the extent they are regarded as an adjustment to the interest cost as per Ind AS 23 Borrowing costs that are directly 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

Non-financial assets that are subject to depreciation or amortisation are reviewed for impairment as on 31st March of

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 to the extent, asset's carrying amount exceeds its recoverable amount. The Group estimates asset's recoverable amount, which is higher of an asset's fair value less cost of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the assets.

1.8 Inventories

Inventories are valued at cost (Moving average method / Weighted Average method) or net realisable value, whichever is lower, unless otherwise stated. Net realisable value is the estimated selling price in the ordinary course of business.

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. Property, plant and equipment classified as held for sale are not depreciated.

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 include cash at bank and in hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less .

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 Group'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.

ii(a) 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:

Financial Assets measured at Amortised Cost:

Financial assets such as trade receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest (EIR) method.

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.

Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is classified as at the FVTOCI if both the following criteria met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

Financial Assets measured at 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 financial asset 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.

ii(b) 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.

1.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.14 Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.15 Financial liabilities

i. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate 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 rate 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 Company. Provision for income- tax on non- shipping income is made as per the normal provisions of the Income-Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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 profit 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.

1.17 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. The Group has taken Group Medishield Insurance policy for Employees who have retired after 01.01.2007 under PRMS Scheme

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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 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 assets are not recognised but disclosed, where an inflow of economic benefits is probable.

1.19 Revenue Recognition

Revenue Income is recognised in the Statement of Profit and Loss when:

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the 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).

Training fees included in other operating income are accounted on accrual basis.

Profit from sale of vessels - Revenue from the sale of vessel is recognised upon the transfer of control to the buyer.

O&M contracts – The Group has entered into contracts with its customers for Operation & Management of vessels owned by them. These are cost plus contracts and the Group is entitled for reimbursement of all costs incurred on these vessels plus a fixed percentage of remuneration on these costs. The Group accounts for the remuneration earned as and when the costs are incurred and booked in the accounts. The reimbursement of costs is netted off against the relevant expense head to which the cost was originally debited.

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

Dividends: 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.

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 Group is made as under:-

- i. In respect of collision claims and P & I claims (other than crew & cargo claims), to the extent of deductible limit based on the assessment provided by the surveyors.
- ii. In case of Cargo claims, actual claims registered and/or paid pertaining to the relevant year's voyages as ascertained at the period end or the P&I deductible limit whichever is lower.

(b) No provision is made in respect of claims by the Group covered under Hull & Machinery insurance and treatment of such claims is as under:-

- i. Expenses on account of particular and general average claims/ damages to ships are charged off in the period in which they are incurred.
- ii. Claims against the underwriters are initially accounted for based on the admission of the claims liability by the underwriters. The final adjustment in the recoverable amount is done on submission of the Adjuster's report to the underwriters which reflect the exact recoverable amount from the underwriters

(c) Claims made by the Group against other parties not covered under insurance including ship repair yards, ship-owners, ship charterers, customs and others, etc. are recognised on realisation, due to uncertainty in the amounts of their ultimate recovery

1.21 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 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 1.4 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(CODM). 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 earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects 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 Group 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, has been considered as nil. The residual value of vessels is reviewed every year on 31st March.

c) Impairment of assets

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

d) Defined Benefit Obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

Discount Rate for the valuation is determined by reference to market yields at the balance sheet date on Government Bonds. This is the rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations

e) Provision

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

f) Impairment of Trade Receivable

The methodology followed by the Group 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 the Group, provisioning is done segment wise basis analysis and computation of expected credit loss for trade receivables of different segments.

Impairment loss allowance on trade receivables during the year is recognised in the Statement of Profit and Loss.

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES TO CONSOLIDATED 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 |
|---|-----------------|--------------|---|------------------|-----------------|---------------------|----------------------------------|----------------|------------------|
| Year ended 31 March 2021 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount (01 April 2020) | 2,37,630 | 1,140 | 139 | 11,90,048 | 86,486 | - | 2,044 | 18 | 15,17,505 |
| Additions | - | 138 | - | 661 | 14,204 | - | 121 | - | 15,124 |
| Disposals | - | - | - | (732) | - | - | (6) | - | (738) |
| Transfer from CWIP | - | - | - | - | 284 | - | - | - | 284 |
| Closing gross carrying amount (31 March 2021) | 2,37,630 | 1,278 | 139 | 11,89,977 | 1,00,974 | - | 2,159 | 18 | 15,32,175 |
| Accumulated depreciation | | | | | | | | | |
| Opening accumulated depreciation (01 April 2020) | - | 137 | 25 | 3,91,144 | 62,150 | - | 1,275 | 10 | 4,54,741 |
| Depreciation charge for the year | - | 31 | 5 | 48,655 | 13,565 | - | 125 | 1 | 62,382 |
| Disposals | - | - | - | (231) | - | - | (4) | - | (235) |
| Closing accumulated depreciation (31 March 2021) | - | 168 | 30 | 4,39,568 | 75,715 | - | 1,396 | 11 | 5,16,888 |
| Net carrying amount (31 March 2021) | 2,37,630 | 1,110 | 109 | 7,50,409 | 25,259 | - | 763 | 7 | 10,15,287 |
| Year ended 31 March 2022 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount (01 April 2021) | 2,37,630 | 1,278 | 139 | 11,89,977 | 1,00,974 | - | 2,159 | 18 | 15,32,175 |
| Additions | - | - | 44 | 11,443 | 32,576 | - | 623 | - | 44,686 |
| Adjustment in carrying amount of cost** | - | - | - | - | (41,303) | - | - | - | (41,303) |
| Disposals | - | - | - | (224) | - | - | (29) | - | (253) |
| Transfer from CWIP | - | - | 25 | - | 3,241 | - | - | - | 3,266 |
| Transfer to Assets Held for Demerger | (2,37,630) | (1,278) | (208) | - | - | - | (365) | - | (2,39,481) |
| Closing gross carrying amount (31 March 2022) | - | - | - | 12,01,196 | 95,488 | - | 2,388 | 18 | 12,99,090 |
| Accumulated depreciation | | | | | | | | | |
| Opening accumulated depreciation (01 April 2021) | - | 168 | 30 | 4,39,568 | 75,715 | - | 1,396 | 11 | 5,16,888 |
| Depreciation charge for the year | - | - | - | 48,976 | 14,101 | - | 142 | 1 | 63,220 |
| Adjustment in carrying amount of cost** | - | - | - | - | (41,303) | - | - | - | (41,303) |
| Disposals | - | - | - | (84) | - | - | (28) | - | (112) |
| Transfer to Assets Held for Demerger | - | (168) | (30) | - | - | - | (60) | - | (258) |
| Closing accumulated depreciation (31 March 2022) | - | - | - | 4,88,460 | 48,513 | - | 1,450 | 12 | 5,38,435 |
| Net carrying amount (31 March 2022) | - | - | - | 7,12,736 | 46,975 | - | 938 | 6 | 7,60,655 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Notes

- (1) Additions to Fleet include Rs. 1294 lakhs (Previous year Rs. (2036) 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 (previous year Rs. 134 lakhs) which is on leasehold land.
- (3) Owners'hip Flats and Residential Buildings include : Cost of shares and bonds in Cooperative Societies/Company (Previous year of face value Rs. 0.73 lakhs).
- (4) *Refer Note 35 for Fleet pledged with banks for Borrowings
- (5) **Adjustments to carrying amount in Fleet Dry Dock includes write off of Fleet Dry Dock assets from Gross Block and Net Block whose useful life has expired.
- (6) There is no significant property, plant and equipment as on 31st March 2022 which are fully depreciated and are still in use.
- (7) Details of owners'hip flats and residential buildings not held in the name of the company (Ref note: 51)

Note 4: Capital work-in-progress

| Particulars | As at March 31,2020 | Incurred during the year | Capitalised/ Adjusted | As at March 31,2021 | Incurred during the year | Capitalised/ Adjusted | As at March 31,2022 |
|--|---------------------|--------------------------|-----------------------|---------------------|--------------------------|-----------------------|---------------------|
| (A) Construction Work in Progress | | | | | | | |
| Asset under Construction excluding advance | 284 | 3,266 | 284 | 3,266 | 5,831 | 3,266 | 5,831 |
| (B) Construction Period Expenses | | | | | | | |
| a. Interest | - | - | - | - | - | - | - |
| b. Other directly attributable expenses | - | - | - | - | - | - | - |
| c. Exchange fluctuation | - | - | - | - | - | - | - |
| Total(A+B) | 284 | 3,266 | 284 | 3,266 | 5,831 | 3,266 | 5,831 |

Capital Work-in progress ageing schedule

| Capital Work-in-progress | Amount of CWIP for a period of | | | | Total |
|---|--------------------------------|-----------|------------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| Projects in progress as on 31 March 2022 | | | | | |
| Fleet Drydock related CWIP | 5,831 | - | - | - | 5,831 |
| Total Projects in progress | 5,831 | - | - | - | 5,831 |
| Projects Temporarily Suspended | - | - | - | - | - |
| Projects in progress as on 31 March 2021 | | | | | |
| Equipment installation in progress at shore | 25 | - | - | - | 25 |
| Fleet Drydock related CWIP | 3,241 | - | - | - | 3,241 |
| Total Projects in progress | 3,266 | - | - | - | 3,266 |
| Projects Temporarily Suspended | - | - | - | - | - |

Disclosure for Time overrun for Capital Work-in-progress as on 31 March, 2022

| Capital Work-in-progress | To be completed in | | | | Total |
|---|--------------------|-----------|------------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| Projects in progress as on 31 March 2022 | | | | | |
| 1. Dry dock for Vessel 1 FY 2021-22 | 1,531 | - | - | - | 1,531 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Capital Work-in-progress | To be completed in | | | | Total |
|---------------------------------------|--------------------|-----------|------------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| 2. Dry dock for Vessel 2 FY 2021-22 | 470 | - | - | - | 470 |
| 3. Dry dock for Vessel 3 FY 2021-22 | 413 | - | - | - | 413 |
| 4. Dry dock for Vessel 4 FY 2021-22 | 474 | - | - | - | 474 |
| 5. Dry dock for Vessel 5 FY 2021-22 | 2,317 | - | - | - | 2,317 |
| 6. Dry dock for Vessel 6 FY 2021-22 | 138 | - | - | - | 138 |
| 7. Dry dock for Vessel 7 FY 2021-22 | 99 | - | - | - | 99 |
| 8. Dry dock for Vessel 8 FY 2021-22 | 85 | - | - | - | 85 |
| 9. Dry dock for Vessel 9 FY 2021-22 | 81 | - | - | - | 81 |
| 10. Dry dock for Vessel 10 FY 2021-22 | 44 | - | - | - | 44 |
| 11. Dry dock for Vessel 11 FY 2021-22 | 168 | - | - | - | 168 |
| 12. Dry dock for Vessel 12 FY 2021-22 | 11 | - | - | - | 11 |
| Total CWIP as on 31 March 2022 | 5,831 | - | - | - | 5,831 |

(1) The drydock for Vessel 1 to Vessel 5 started in FY 2021-22 was ongoing as on 31 March 2022.

(2) For sr.no. 6 to 12 (INR 626 lakhs), drydock is yet to commence as on 31 March 2022 and the Company expects their completion within a period of one year.

Disclosure for Time overrun for Capital Work-in-progress as on 31 March, 2021

| Capital Work-in-progress | To be completed in | | | | Total |
|--|--------------------|-----------|------------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2- 3 years | More than 3 years | |
| Projects in progress as on 31 March 2021 | | | | | |
| 1. Equipment installation in progress at shore | 25 | - | - | - | 25 |
| 2. Dry dock for Vessel 1 FY 2020-21 | 866 | - | - | - | 866 |
| 3. Dry dock for Vessel 2 FY 2020-21 | 486 | - | - | - | 486 |
| 4. Dry dock for Vessel 3 FY 2020-21 | 1,675 | - | - | - | 1,675 |
| 5. Dry dock for Vessel 4 FY 2020-21 | 104 | - | - | - | 104 |
| 6. Dry dock for Vessel 5 FY 2020-21 | 1 | - | - | - | 1 |
| 7. Dry dock for Vessel 6 FY 2020-21 | 35 | - | - | - | 35 |
| 8. Dry dock for Vessel 7 FY 2020-21 | 5 | - | - | - | 5 |
| 9. Dry dock for Vessel 8 FY 2020-21 | 69 | - | - | - | 69 |
| Total CWIP as on 31 March 2021 | 3,266 | - | - | - | 3,266 |

(1) The drydock for Vessel 1 to Vessel 3 started in FY 2020-21 was ongoing as on 31 March 2021.

(2) For sr. no. 5 to 9 (INR 215 lakhs), drydock is yet to commence as on 31 March 2021 and the Company expects their completion within a period of one year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 5: Right of Use Asset

| Particulars | Land | Buildings | Fleet | Furniture, Fittings & Equipments | Moter Vehicles | Total |
|---|------------|--------------|----------|----------------------------------|----------------|--------------|
| Year ended 31 March 2021 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount (1st April 2020) | 428 | 2,019 | - | 49 | 200 | 2,696 |
| Additions | - | - | - | - | - | - |
| Disposal | - | (6) | - | - | (31) | (37) |
| Closing gross carrying amount (31 March 2021) | 428 | 2,013 | - | 49 | 169 | 2,659 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation (1st April 2020) | 42 | 177 | - | 5 | 69 | 293 |
| Depreciation charge for the year | 42 | 177 | - | 14 | 69 | 302 |
| Disposal | - | (6) | - | - | (31) | (37) |
| Closing accumulated depreciation (31 March 2021) | 84 | 348 | - | 19 | 107 | 558 |
| Net carrying amount (31 March 2021) | 344 | 1,665 | - | 30 | 62 | 2,101 |
| Year ended 31 March 2022 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount (1st April 2021) | 428 | 2,013 | - | 49 | 169 | 2,659 |
| Additions | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - |
| Transfer to Assets Held for Demerger | (9) | - | - | - | - | (9) |
| Closing gross carrying amount (31 March 2022) | 419 | 2,013 | - | 49 | 169 | 2,650 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation (1st April 2021) | 84 | 348 | - | 19 | 107 | 558 |
| Depreciation charge for the year | 42 | 174 | - | 14 | 53 | 283 |
| Disposal | - | - | - | - | - | - |
| Transfer to Assets Held for Demerger | (0) | - | - | - | - | (0) |
| Closing accumulated depreciation (31 March 2022) | 126 | 522 | - | 33 | 160 | 841 |
| Net carrying amount (31 March 2022) | 293 | 1,491 | - | 16 | 9 | 1,809 |

Note 6: Intangible assets

| Particulars | Computer Software | Total |
|---|-------------------|--------------|
| Year ended 31 March 2021 | | |
| Gross carrying amount | | |
| Opening gross carrying amount (01 April 2020) | 1,625 | 1,625 |
| Additions | 13 | 13 |
| Closing gross carrying amount (31 March 2021) | 1,638 | 1,638 |
| Accumulated amortisation | | |
| Opening accumulated amortisation (01 April 2020) | 1,479 | 1,479 |
| Amortisation charge for the year | 109 | 109 |
| Closing accumulated amortisation (31 March 2021) | 1,588 | 1,588 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Computer Software | Total |
|---|-------------------|--------------|
| Net carrying amount (31 March 2021) | 50 | 50 |
| Year ended 31 March 2022 | | |
| Gross carrying amount | | |
| Opening gross carrying amount (01 April 2021) | 1,638 | 1,638 |
| Additions | - | - |
| Disposal | (2) | (2) |
| Closing gross carrying amount (31 March 2022) | 1,636 | 1,636 |
| Accumulated amortisation | | |
| Opening accumulated amortisation (01 April 2021) | 1,588 | 1,588 |
| Amortisation charge for the year | 41 | 41 |
| Disposal | (2) | (2) |
| Closing accumulated amortisation (31 March 2022) | 1,627 | 1,627 |
| Net carrying amount (31 March 2022) | 9 | 9 |

There were no intangible assets under development as on 31 March 2021 and 31 March 2022

Note 6(a): Investments accounted for using the equity method

| Particulars | Face value | 31 March 2022 | | 31 March 2021 | |
|---|------------|----------------------|---------------|----------------------|---------------|
| | | No. of shares/ Units | ₹ in lakhs | No. of shares/ Units | ₹ in lakhs |
| Investment in equity instruments (fully paid-up) | | | | | |
| Unquoted | | | | | |
| In Joint Venture | | | | | |
| India LNG Transport Company (No. 1) Ltd. | 2.2037 USD | 2908 | 17,596 | 2908 | 13,919 |
| India LNG Transport Company (No.2) Ltd. | 2.2037 USD | 2908 | 18,288 | 2908 | 14,319 |
| India LNG Transport Company (No. 3) Ltd. | 1 USD | 2600 | 1,594 | 2600 | - |
| India LNG Transport Company (No. 4) Pvt Ltd. | 1 USD | 11036558 | 9,726 | 11036558 | 6,834 |
| Total (equity instruments) | | | 47,204 | | 35,072 |

(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.

Note 7: Financial assets

Note 7(a): Non-current investments

| Particulars | Face value | 31 March 2022 | | 31 March 2021 | |
|---|------------|---------------------|------------|---------------------|------------|
| | | No. of shares/Units | ₹ in lakhs | No. of shares/Units | ₹ in lakhs |
| Investment in equity instruments (fully paid-up) | | | | | |
| Unquoted | | | | | |
| (i) Investment carried at fair value through Profit or loss | | | | | |
| Sethusamudram Corp. Ltd. | Rs. 10 | 50000000 | 5,000 | 50000000 | 5,000 |
| Less: Loss allowance | | | 5,000 | | 5,000 |
| Scindia Steam Navigation Company Ltd., fully paid (Rs. 0.30 lakhs ; Prev. yr. Rs. 0.30 lakhs) | Rs. 20 | 3438 | - | 3438 | - |
| Less: Loss allowance | | | - | | - |
| Woodlands Multispeciality Hospital Ltd. | Rs. 10 | 60000 | 373 | 60000 | 349 |
| Total (equity instruments) | | | 373 | | 349 |
| Total non-current investments | | | 373 | | 349 |
| Aggregate amount of quoted investments and market value thereof | | | - | | - |
| Aggregate amount of unquoted investments | | | 5,373 | | 5,349 |
| Aggregate amount of impairment in the value of investments | | | 5,000 | | 5,000 |
| Investments carried at fair value through Profit and Loss | | | 373 | | 349 |

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 Rs 5000 lakhs (previous year Rs 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 2022 | | 31 March 2021 | |
|--|---------------|-------------|---------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| Considered good - Secured | | | | |
| Loans to employees | 169 | 2,292 | 200 | 2,361 |
| Considered good - Unsecured | | | | |
| Loans to related parties# | | | | |
| Loan to Joint Ventures* | | | | |
| India LNG Transport Company (No. 1) Ltd. | - | - | 287 | 1,652 |
| India LNG Transport Company (No.2) Ltd. | - | - | 305 | 1,521 |
| India LNG Transport Company (No. 3) Ltd. | - | 18,540 | - | 18,334 |
| India LNG Transport Company (No. 4) Pvt Ltd. | - | - | - | - |
| | - | 18,540 | 592 | 21,507 |
| Less: Unabsorbed losses | - | - | - | 1,127 |
| | - | - | - | 20,380 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| Less: Allowance for doubtful debts | - | - | - | - |
| Total loans | 169 | 20,832 | 792 | 22,741 |

*This includes repayment of Rs 591.83 lakhs remitted by India LNG Transport Company (No. 1 & 2) Ltd. on 31st March 2021, for which credit was received by SCI on 01/04/2021.

| Type of Borrower | 31 March 2022 | 31 March 2021 | % to the Total Loans 31 March 2022 | % to the Total Loans 31 March 2021 |
|--|---------------|---------------|------------------------------------|------------------------------------|
| India LNG Transport Company (No. 1) Ltd. | - | 1,939 | - | 8.77 |
| India LNG Transport Company (No.2) Ltd. | - | 1,826 | - | 8.26 |
| India LNG Transport Company (No. 3) Ltd. | 18,540 | 18,334 | 100.00 | 82.97 |
| Inland & Coastal Shipping Limited | - | - | - | - |
| Total | 18,540 | 22,099 | 100.00 | 100.00 |

Note 7(c): Other financial assets

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------|---------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Financial Assets carried at amortised cost | | | | |
| Security Deposits | - | 848 | - | 436 |
| Bank deposits with more than 12 months maturity | | | | |
| - Term Deposits@ | - | 19,231 | - | - |
| - Other bank balances (Margin money deposit towards bank guarantee) | | | | |
| Advances recoverable in cash | | | | |
| From Related Parties (Refer Note no 30 for details) | | | | |
| - Interest Receivable* | 201 | - | 249 | - |
| Receivable from Subsidiary-ICSL Ltd. | - | - | - | - |
| Subsidy Receivable From GOI (for promotion of flagging of merchant ships in India) | 93 | - | - | - |
| Income accrued on deposits/investments# | 2,011 | - | 1,817 | - |
| Unfinished Voyages Expenses | - | - | - | - |
| Interest Accrued on Loans to employees | - | - | - | - |
| Claim Recoverable | 5,817 | - | 1,398 | - |
| Unbilled Revenue (Contract Asset) (Refer Note no 33 for details) | 46,039 | - | 29,810 | - |
| Less: Provision for doubtful debts | - | - | - | - |
| | 46,039 | - | 29,810 | - |
| Others | 1 | 7 | 1 | 7 |
| Total other financial assets | 54,162 | 20,086 | 33,275 | 443 |

@ Earmarked Deposits unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Unutilized Govt subsidy for Male service | 306 | - |
| Staff Welfare Fund | 2,337 | - |
| Total | 2,643 | - |

*This includes amount of Rs. 25.93 lakhs and Rs. 24.42 lakhs Remitted by India LNG Transport Co. (No. 1 & 2) Ltd. respectively remitted on 31st March 2021, for which credit was received by SCI on 01/04/2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

#This includes income on Surplus FD (earmarked as per demerger scheme) of Rs. 549.46 lakhs.

Note 7(d): Current investments

| Particulars | Face value | 31 March 2022 | | 31 March 2021 | |
|--|------------|---------------------|------------|---------------------|------------|
| | | No. of shares/Units | ₹ in lakhs | No. of shares/Units | ₹ 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. (P.J.S)). | 1USD | | | 2,95,029 | - |
| 16 (Prev.yr.16) shares of USD 1 each fully paid up of BIIS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)*) | 1USD | | | 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 | | | - | | - |

* Shares have apledged to banks against loans given by them

Note 7(e): Trade receivables

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------|---------------|---------------|
| Trade Receivable* | 88,393 | 85,712 |
| Less: Allowance for doubtful debts** | 24,661 | 22,662 |
| Total receivables | 63,732 | 63,050 |
| Current Portion | 63,732 | 63,050 |
| Non Current Portion | - | - |

Break up of above details

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Considered good - Secured | 8,300 | 7,941 |
| Considered good - Unsecured | 67,457 | 67,816 |
| Trade Receivables which have significant increase in Credit Risk | 4,794 | 2,658 |
| Trade Receivables - credit impaired | 7,842 | 7,297 |
| Total | 88,393 | 85,712 |
| Allowance for doubtful debts | 24,661 | 22,662 |
| Total trade Receivables | 63,732 | 63,050 |

*Significant Receivables from related parties (refer note 30)

** Refer Note no. 38 for further details

Trade receivables ageing schedule for the year ended as on 31 March 2022

| Particulars | | Not Due | 0-6 months | 6 months to 1 Year | 1 Year to 2 Year | 2 Years to 3 Years | More than 3 Years | Total |
|-------------|-------------------------------------|---------|------------|--------------------|------------------|--------------------|-------------------|--------|
| Undisputed | Considered Good | 1,229 | 54,793 | 10,345 | 2,918 | 2,900 | 244 | 72,429 |
| Undisputed | Significant increase in Credit Risk | - | - | - | - | - | 4,218 | 4,218 |
| Undisputed | Credit Impaired | - | - | - | - | - | - | - |
| Disputed | Considered Good | - | 61 | 11 | 0 | - | 3,256 | 3,328 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | | Not Due | 0-6 months | 6 months to 1 Year | 1 Year to 2 Year | 2 Years to 3 Years | More than 3 Years | Total |
|--------------------------------|-------------------------------------|--------------|---------------|--------------------|------------------|--------------------|-------------------|---------------|
| Disputed | Significant increase in Credit Risk | - | 4 | 6 | 25 | 8 | 533 | 576 |
| Disputed | Credit Impaired | - | 550 | 330 | 756 | 821 | 5,385 | 7,842 |
| Total | | 1,229 | 55,408 | 10,692 | 3,699 | 3,729 | 13,636 | 88,393 |
| Less | Allowances for Doubtful Debts | | | | | | | (24,661) |
| Total Trade Receivables | | | | | | | | 63,732 |

Trade receivables ageing schedule for the year ended as on 31 March 2022

| Particulars | | Not Due | 0-6 months | 6 months to 1 Year | 1 Year to 2 Year | 2 Years to 3 Years | More than 3 Years | Total |
|--------------------------------|-------------------------------------|--------------|---------------|--------------------|------------------|--------------------|-------------------|---------------|
| Undisputed | Considered Good | 1,229 | 54,793 | 10,345 | 2,918 | 2,900 | 244 | 72,429 |
| Undisputed | Significant increase in Credit Risk | - | - | - | - | - | 4,218 | 4,218 |
| Undisputed | Credit Impaired | - | - | - | - | - | - | - |
| Disputed | Considered Good | - | 61 | 11 | 0 | - | 3,256 | 3,328 |
| Disputed | Significant increase in Credit Risk | - | 4 | 6 | 25 | 8 | 533 | 576 |
| Disputed | Credit Impaired | - | 550 | 330 | 756 | 821 | 5,385 | 7,842 |
| Total | | 1,229 | 55,408 | 10,692 | 3,699 | 3,729 | 13,636 | 88,393 |
| Less | Allowances for Doubtful Debts | | | | | | | (24,661) |
| Total Trade Receivables | | | | | | | | 63,732 |

Note 7(f): Cash and cash equivalents

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balances with banks | | |
| - in current accounts* | 8,923 | 19,564 |
| - in deposits account with original maturity of less than three months@ | 4,786 | 2,913 |
| Total cash and cash equivalents | 13,709 | 22,477 |

*Balance with banks in current account unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|----------------------------|---------------|---------------|
| Unspent CSR money | 3 | - |
| Unpaid dividend | 10 | 7 |
| Unspent Staff welfare fund | 115 | - |
| Total | 128 | 7 |

@ Earmarked Deposits unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Unutilized Govt subsidy for Male service | 200 | - |
| Superannuation Fund | 3,625 | - |
| Total | 3,825 | - |

Note 7(g): Bank balances other than cash and cash equivalents

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|---------------|
| Margin money for Bank Guarantee | - | - |
| Other Deposits with banks* | 1,26,993 | 81,113 |
| Total Bank balances other than cash and cash equivalents | 1,26,993 | 81,113 |

*Refer Note 35 for Deposits pledged with banks for Borrowings

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

*Fixed deposit includes unutilised funds of FPO as on 31st March 2022 is Rs. 13,385 lakhs (as on 31st March 2021 is Rs 13385 lakhs).

*Earmarked Deposits unavailable for use

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Unutilized Govt subsidy fund of Male service | 900 | 1,280 |
| Lien with Banks | 2,687 | 5,271 |
| Surplus FD (earmarked as per demerger scheme) | 45,000 | - |
| Staff Welfare Fund | 100 | 210 |
| Superannuation Fund | 1,178 | 6,635 |
| Total | 49,865 | 13,396 |

Note 8: Income Tax Assets(net)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------|---------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| Income Tax Assets (Net of Provision) * | - | 21,202 | - | 19,477 |
| Income Tax Assets (Net) | - | 21,202 | - | 19,477 |

* Refer Note no. 29 for further details

Note 9: Other Current Assets

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---------------|-------------|---------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| (a) Advances other than Capital Advances | | | | |
| Advances to employees | | | | |
| i) Secured, Considered Good | - | - | - | - |
| ii) Unsecured, Considered Good | 1,059 | - | 458 | - |
| | 1,059 | - | 458 | - |
| Less : Provision for Doubtful Advances | - | - | - | - |
| | 1,059 | - | 458 | - |
| Advances to Others | | | | |
| i) Unsecured, Considered Good | 9,450 | - | 11,201 | - |
| ii) Unsecured, Considered Doubtful | 1,706 | - | 1,657 | - |
| | 11,156 | - | 12,858 | - |
| Less : Provision for Doubtful Advances | 1,706 | - | 1,657 | - |
| | 9,450 | - | 11,201 | - |
| (b) Others | | | | |
| Excess - Gratuity Fund | - | 7,418 | - | 6,305 |
| Balances with statutory authorities | | | | |
| - Cenvat Credit Receivables | - | 95 | - | 96 |
| - Service tax paid under Protest | - | 3,823 | - | 3,160 |
| - GST Receivable* | 7,526 | - | 8,757 | - |
| - Predeposit with Income Tax Department | - | 974 | - | 974 |
| | 7,526 | 4,892 | 8,757 | 4,230 |
| Subsidy for Passenger service (Myanmar)** | 467 | - | 467 | - |
| Less : Provision for Doubtful Advances | 467 | - | 467 | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| | Current | Non-Current | Current | Non-Current |
| Prepaid Expenses | - | - | - | - |
| Others | 685 | - | 375 | - |
| | 48 | 709 | (35) | 706 |
| Total other current assets | 18,768 | 13,019 | 20,756 | 11,241 |

*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 will be progressively reviewed and availed for discharge of Goods and Service Tax liability payable by the Corporation.

** This pertains to India Myanmar Service started on 02.10.2014 on the directions of Ministry of Port, Shipping & Waterways. The service was completed on Nov 2016.

Note 10: Inventories

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
| Fuel Oil | 17,482 | 8,769 |
| Total inventories | 17,482 | 8,769 |

Valuation of inventories are done as per point no1. 8 of significant accounting policies (Note - 1)

Note 11: Assets classified as held for sale

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Fleet and Container held for Sale | 1 | 1 |
| Less: Impairment loss allowance | (1) | (1) |
| | - | - |
| 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. | - | 10 |
| Less: Impairment loss allowance | - | (3) |
| | - | 7 |
| Irano Hind Shipping Co. Ltd. | - | 39 |
| Less: Impairment loss allowance | - | (39) |
| | - | - |
| Advance to Irano Hind Shipping Co. Ltd. | - | 23 |
| Less: Provision for Doubtful advances | - | (23) |
| | - | - |
| Total assets held for sale | - | 7 |

Note 11(a) : Non Core Assets held for Demerger

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Non Core Assets held for Demerger | | |
| Freehold Land | 2,37,630 | - |
| Buildings | 1,110 | - |
| Ownership Flats & Residential Buildings | 178 | - |
| Furniture, Fittings & Equipments | 305 | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|-----------------|---------------|
| Leasehold property (Shipping House Land) | 2,39,223 | - |
| Investment held for Demerger | 9 | - |
| 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. (P.J.S)). | - | - |
| 16 (Prev.yr.16) shares of USD 1 each fully paid up of BHS Maritime (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)*) | - | - |
| 1,00,000 (Prev.yr.1,00,000) shares of Rs 10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd. | 10 | - |
| Less: Impairment loss allowance | (3) | - |
| | 7 | - |
| Irano Hind Shipping Co. Ltd. | 39 | - |
| Less: Impairment loss allowance | (39) | - |
| | - | - |
| Advance to Irano Hind Shipping Co. Ltd. | 23 | - |
| Less: Provision for Doubtful advances | (23) | - |
| | - | - |
| Total assets held for Demerger | 2,39,239 | - |

a) The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano-Hind Shipping Co. (P.J.S) (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.

Futher the said investment has been included in the list of non core assets of Demerger Scheme.

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 Company Pvt. Ltd. (SSSPL). The said company was incorporated on 19.05.2010 with an authorised share capital of Rs 1000 lakhs. The Company has subscribed equity capital of 100000 shares of Rs 10 each amounting to Rs 10 lakhs. As per current status the company is struck off. Under Ind AS, investment in SSSPL has been written down during FY 15-16 to reflect its fair value. Futher the said investment has been included in the list of non core assets of Demerger Scheme."

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 Rs 42 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).

* Shares have pledged to banks against loans given by them

Note 12: Equity Share capital

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Authorised | | |
| 1,00,00,00,000 [31 March 2021: 1,00,00,00,000] Equity Shares of INR 10 each | 1,00,000 | 1,00,000 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Issued, subscribed and fully paid up | | |
| 46,57,99,010 [31 March 2021: 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 | 31 March 2022 | | 31 March 2021 | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Number of shares | Amount (in ₹) | Number of shares | Amount (in ₹) |
| Equity Shares : | | | | |
| Balance as at the beginning of the year | 46,57,99,010 | 4,65,79,90,100 | 46,57,99,010 | 4,65,79,90,100 |
| Add: Bonus shares issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Balance as at the end of the year | 46,57,99,010 | 4,65,79,90,100 | 46,57,99,010 | 4,65,79,90,100 |

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

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Number of shares | % of Share holding | Number of shares | % of Share holding |
| Equity shares | | | | |
| 1. President of India | 29,69,42,977 | 63.75 | 29,69,42,977 | 63.75 |
| 2. Life Insurance Corporation of India | 2,74,98,852 | 5.90 | 3,67,39,641 | 7.89 |
| | 32,44,41,829 | 69.65 | 33,36,82,618 | 71.64 |

c) Disclosure of Shareholding of Promoters

| Shares held by Promoters at the year ended 31 March 2022 | | | | % Change during the year |
|--|--------------------|--------------------|-------------------|--------------------------|
| S.No. | Promoter Name* | Number of Shares** | % of Total shares | |
| 1 | President of India | 29,69,42,977 | 63.75 | - |

| Shares held by Promoters at the year ended 31 March 2021 | | | | % Change during the year |
|--|--------------------|--------------------|-------------------|--------------------------|
| S.No. | Promoter Name* | Number of Shares** | % of Total shares | |
| 1 | President of India | 29,69,42,977 | 63.75 | - |

*Promoter here means promoter as defined in the Companies Act, 2013

** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

d) 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.

e) Rights/Preference/Restriction attached to Equity Shares:

The Company has only one class of Equity shares having par value of Rs 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.

f) The Company does not have holding company.

g) There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.

Note 13: Other Equity

Surplus

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------|-----------------|-----------------|
| i. Capital reserve | 15,205 | 15,205 |
| ii. Securities premium | 52,177 | 52,177 |
| iii. General reserve | 5,53,527 | 5,53,527 |
| iv. Tonnage Tax Reserve | 26,660 | 12,450 |
| v. Retained Earnings | (21,887) | 1,42,877 |
| Total surplus | 6,25,682 | 7,76,236 |

(i) Capital reserve

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------|---------------|---------------|
| 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 | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Opening balance | 52,177 | 52,177 |
| Add: Premium on shares held in trust for employees under ESOS Scheme | - | - |
| Add: Liability pertaining to share issue expenses no longer required written back | - | - |
| Closing Balance | 52,177 | 52,177 |

(iii) General reserve

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Opening balance | 5,53,527 | 5,53,527 |
| Add: Transfer from Tonnage Tax Reserve (Utilised) | - | - |
| Closing Balance | 5,53,527 | 5,53,527 |

(iv) Tonnage Tax Reserve

| | | |
|---|---------------|---------------|
| Opening balance | 12,450 | 2,100 |
| Less: Transfer to Tonnage Tax Reserve (Utilised) | - | - |
| Add: Transfer from Surplus in the Statement of Profit or Loss | 14,210 | 10,350 |
| Closing Balance | 26,660 | 12,450 |

(v) Retained Earnings

| | | |
|--|----------|--------|
| Opening balance | 1,42,877 | 85,043 |
| Add: Profit/(Loss) for the year | 79,390 | 61,785 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| Remeasurements gain/(loss) of defined benefit plans | 1,447 | 2,068 |
| Less: Reversal of SWF Appropriation 15-16 | - | - |
| Share of profits of associates and joint ventures, net of tax | 7,132 | 7,824 |
| Adjustments: | | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Less: Adjustment in retained earning | - | - |
| Add: Transfer from debenture redemption reserve | - | - |
| Less: Dividend paid on equity shares | 1,164 | 3,493 |
| Less: Dividend distribution tax paid | - | - |
| Less: Adjustment in the value of fixed assets | - | - |
| Less: Transfer to general reserve | - | - |
| Less: Transfer to Debenture redemption reserve | - | - |
| Less: Tonnage Tax Reserve | 14,210 | 10,350 |
| Less: Retained Earnings held for Demerger | 2,37,359 | - |
| Closing Balance | (21,887) | 1,42,877 |

Retained earnings include accumulated OCI {Remeasurements gain/(loss) of defined benefit plans} of Rs. 6,001.28 lakhs (Previous year Rs. 4,554.28 lakhs)

Note 13 (a) : Retained Earnings held for Demerger

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------------|-----------------|---------------|
| Retained Earnings held for Demerger | 2,37,359 | - |
| Total | 2,37,359 | - |

Note 13(b): Other Surplus

| Particulars | Cash Flow Hedging Reserve | Foreign currency translation reserve | Total other reserves |
|---|---------------------------|--------------------------------------|----------------------|
| As at 31 March 2020 | (8,690) | 2,423 | (6,266) |
| Share of OCI of associates and joint ventures, net of tax | 3,832 | - | 3,832 |
| Currency translation differences | - | (3,629) | (3,629) |
| As at 31 March 2021 | (4,858) | (1,206) | (6,064) |
| Share of OCI of associates and joint ventures, net of tax | 5,241 | - | 5,241 |
| Currency translation differences | - | 887 | 887 |
| As at 31 March 2022 | 383 | (319) | 64 |

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 14 : Financial Liabilities

Note 14(a): Long-term borrowings

| Particulars | | 31 March 2022 | | 31 March 2021 | |
|-----------------------------------|----------|-----------------|---------------|-----------------|---------------|
| | | Non-Current | Current* | Non-Current | Current* |
| Secured | | | | | |
| Term Loans: | | | | | |
| Rupee loans from banks | A | - | - | - | - |
| Foreign currency loans from banks | B | 99,414 | 27,136 | 1,22,687 | 24,815 |
| Total | C | 99,414 | 27,136 | 1,22,687 | 24,815 |
| Unsecured | | | | | |
| Term Loans: | | | | | |
| Rupee loans from banks | A | - | - | - | - |
| Foreign currency loans from banks | B | 1,15,205 | 32,987 | 1,43,691 | 31,980 |
| Total | C | 1,15,205 | 32,987 | 1,43,691 | 31,980 |
| Long-term borrowings # | | 2,14,619 | 60,123 | 2,66,378 | 56,795 |

Details of Borrowings

| Name of facility | Amount of Loan | Rate of interest | Repayment Terms | Maturity Date | Security Mortgaged |
|--|-----------------|--------------------------------|-----------------|---------------|-------------------------|
| Secured | | | | | |
| Standard Chartered Gift City 41.456 mn | 26,713 | Six Month USD LIBOR plus 1.60% | Half yearly | Aug-27 | Secured Against Vessels |
| SBI London 40.495 mn | 26,149 | Six Month USD LIBOR plus 1.55% | Half yearly | Nov-25 | Secured Against Vessels |
| SBI Mumbai Term Loan Rs. 160 cr - FCNR | 10,321 | Six Month USD LIBOR plus 1.25% | Quarterly | Mar-27 | Secured Against Vessels |
| SBI Mumbai Term Loan Rs. 495 cr - FCNR | 24,195 | Six Month USD LIBOR plus 1.25% | Quarterly | Jun-27 | Secured Against Vessels |
| Exim Bank Loan 75 million | 39,799 | Six Month USD LIBOR plus 1.35% | Quarterly | Jul-25 | Secured Against Vessels |
| Unsecured | | | | | |
| Exim Bank Loan 75 million | 48,733 | Six Month USD LIBOR plus 1.35% | Quarterly | Jan-28 | Unsecured |
| Bank of India 164m | 99,459 | Six Month USD LIBOR plus 1.40% | Half yearly | Mar-26 | Unsecured |
| TOTAL | 2,75,369 | | | | |

Maturity Profile

| | | | | |
|-----------------|-----------|-----------|-----------|----------------|
| Secured Loans | 1-2 years | 2-3 years | 3-4 years | Beyond 4 years |
| | 28,679 | 28,679 | 26,272 | 15,784 |
| Unsecured Loans | 1-2 years | 2-3 years | 3-4 years | Beyond 4 years |
| | 32,987 | 32,987 | 32,987 | 16,244 |

* Represents current maturities of Long term borrowings included in "Current borrowings"

The carrying amounts of financial and non-financial assets pledged as security are disclosed in note 35.

Includes Rs. (627) lakhs (previous year Rs. (770) lakhs) of Unamortised Upfront fees

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 14(b): Lease Liabilities

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--------------------------------|---------------|------------|---------------|------------|
| | Non-Current | Current | Non-Current | Current |
| Lease Liabilities | 2,101 | 198 | 2,243 | 219 |
| Total Lease Liabilities | 2,101 | 198 | 2,243 | 219 |

Note 14(c): Other financial liabilities

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---------------|------------|---------------|-----------|
| | Non-Current | Current | Non-Current | Current |
| Financial Liabilities at amortised cost | | | | |
| Security Deposits | 866 | 135 | 1,068 | 33 |
| Interest accrued but not due on borrowings | 634 | - | 680 | - |
| Unpaid Dividend | 10 | - | 7 | - |
| Others | | | | |
| Other Deposits payable | 297 | - | 244 | - |
| Payable to Related Parties (Refer Note no 30 for details) | 20 | - | - | - |
| Employee related Liabilities | 18,718 | - | 14,015 | - |
| Others* | 1,197 | - | 5,005 | - |
| Total other financial liabilities | 21,742 | 135 | 21,019 | 33 |

* Includes book overdraft of Rs 249 lakhs (Previous year Rs 4278 lakhs) for which reconciliation has been done.

Note 14(d): Current borrowings

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------|-----------------|---------------|
| Secured | | |
| Current maturities of long-term debt | 27,136 | 24,815 |
| Unsecured | | |
| from Banks repayable on demand | | |
| Rupee loans from banks | - | - |
| Foreign currency loans from banks | 42,996 | 42,265 |
| Current maturities of long-term debt | 32,987 | 31,980 |
| Total current borrowings | 1,03,119 | 99,060 |

Statement of changes in liabilities for which cash flows have been classified as Financing Activities

Note 14(e): Trade payables

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|---------------|
| Trade payables | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | 3,714 | 4,194 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises* | 1,20,108 | 79,071 |
| Total trade payables | 1,23,822 | 83,265 |

* Significant Payable from related parties (refer note 30)

Disclosure requirement under MSMED Act, 2006

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| (a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year; | 3,714 | 4,194 |
| (ii) the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; | 1 | 1 |
| (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 | 1 | 1 |
| (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. | 1 | 1 |

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.

Trade payables ageing schedule for the year ended as on 31 March 2022

| Particulars | Not Due | 0 to 1 year | 1 to 2 years | 2 to 3 years | more than 3 years | TOTAL |
|----------------------------|--------------|-----------------|--------------|--------------|-------------------|-----------------|
| (i) MSME | 11 | 3,311 | 355 | 8 | 29 | 3,714 |
| (ii) Others | 4,975 | 1,14,776 | 1,135 | (728) | 1,159 | 1,21,317 |
| (iii) Disputed dues- MSME | - | - | - | - | - | - |
| (iv) Disputed dues- Others | - | (729) | (156) | - | (324) | (1,209) |
| Grand Total | 4,986 | 1,17,358 | 1,334 | (720) | 864 | 1,23,822 |

Trade payables ageing schedule for the year ended as on 31 March 2021

| Particulars | Not Due | 0 to 1 year | 1 to 2 years | 2 to 3 years | more than 3 years | TOTAL |
|----------------------------|--------------|---------------|--------------|--------------|-------------------|---------------|
| (i) MSME | (7) | 4,005 | 151 | 6 | 39 | 4,194 |
| (ii) Others | 6,636 | 67,710 | 1,182 | (962) | 2,303 | 76,869 |
| (iii) Disputed dues- MSME | - | - | - | - | - | - |
| (iv) Disputed dues- Others | - | 1,724 | - | 5 | 473 | 2,202 |
| Grand Total | 6,629 | 73,439 | 1,333 | (951) | 2,815 | 83,265 |

Note 15: Provisions

| Particulars | 31 March 2022 | | 31 March 2021 | |
|-------------------------------------|---------------|--------------|---------------|--------------|
| | Current | Non-Current | Current | Non-Current |
| Employee Benefit Obligations | | | | |
| Provision for leave encashment | 235 | 5,802 | 180 | 4,971 |
| Post Retirement Medical Scheme | 416 | 1,061 | 213 | 1,364 |
| | 651 | 6,863 | 393 | 6,335 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--------------------------|---------------|--------------|---------------|--------------|
| | Current | Non-Current | Current | Non-Current |
| Other Provisions | | | | |
| Insurance & cargo claims | 727 | - | 498 | - |
| | 727 | - | 498 | - |
| Total | 1,378 | 6,863 | 891 | 6,335 |

| Short term provision | 31 March 2021 | Provided during the year | Utilised during the year | Amount reversed | 31 March 2022 |
|---------------------------|---------------|--------------------------|--------------------------|-----------------|---------------|
| Other Provisions | | | | | |
| Insurance & cargo claims* | 498 | 355 | 126 | - | 727 |
| Total | 498 | 355 | 126 | - | 727 |

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

Note 16: Deferred Tax Liabilities

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Deferred tax -upward valuation of PPE | - | 5,502 |
| Deferred tax -upward valuation of Financial Asset | 83 | 78 |
| Deferred Tax Liabilities(Net) | 83 | 5,580 |

Note 17: Other current liabilities

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---------------|-------------|---------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Deferred Trade Receivable (Contract Liability) (Refer Note no 33 for details) | 3,450 | - | 2,029 | - |
| Advances and Deposits | 4,815 | - | 8,960 | - |
| Others | | | | |
| Employee Related Liabilities | - | - | - | - |
| Statutory dues | 4,597 | - | 4,390 | - |
| Others Current Liabilities | 57 | - | 41 | - |
| Subsidy for Bangladesh-Myanmmar & Srilanka* | - | - | - | - |
| Subsidy for Maldives Service* | 1,307 | - | 1,247 | - |
| Interest Payable to GOI on deposits (Subsidy for Maldives Service) | 3 | - | 35 | - |
| Total other current liabilities | 14,229 | - | 16,702 | - |

*On 10th August 2020, Ministry of Port, Shipping and Waterways had sanctioned a subsidy of Rs 21.10 crores as assistance for running cargo shipping service between India and Maldives. The Male service was flagged off on 21st September 2020. The net expenditure incurred (Expenses less Income earned) pertaining to this service is booked against the Subsidy for Maldives Service. The balance amount is placed in Fixed Deposit and Interest earned against such deposit has been remitted to the Consolidated Fund of India.

Note 18: Liabilities directly associated with assets classified as held for sale

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Other current liabilities* | - | 21,788 |
| Total Liabilities associated with assest held for sale | - | 21,788 |

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 18 (a): Liabilities directly associated with assets held for Demerger

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Other current liabilities held for Demerger* | 21,788 | - |
| Lease Liabilities | 9 | - |
| Deferred tax -upward valuation of PPE | 5,502 | - |
| Total Liabilities associated with asset held for demerger | 27,299 | - |

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

Note 19: Revenue From operations

| Particulars | 31 March 2022 | 31 March 2021 |
|---------------------------|-----------------|-----------------|
| Freight | 3,54,603 | 2,51,519 |
| Charter Hire | 1,11,389 | 83,224 |
| Demurrage | 10,409 | 18,185 |
| Contract Revenue: | | |
| Core shipping activities | 179 | 371 |
| Incidental activities | 7,359 | 6,824 |
| Reimbursement of expenses | 9,229 | 8,949 |
| Total | 4,93,168 | 3,69,072 |

Note 20: Other Operating Revenue

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------|---------------|---------------|
| Training & Consultancy fee | 2,168 | 956 |
| Sundry Receipts (Core) | 3 | 1 |
| Sundry Receipts (Incidental) | 52 | 18 |
| Recovery of Insurance and P&I Claims | 4,102 | 282 |
| Total | 6,325 | 1,257 |

Note 21: Other Income

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Interest on financial assets carried at amortised cost | | |
| a) Fixed Deposits with Banks* | 4,208 | 4,572 |
| b) Loans to Employees | 192 | 146 |
| c) Loans to Joint Venture (Refer Note no.30) | 896 | 1,034 |
| d) Others | 1,961 | 809 |
| Dividend From Mutual Fund | - | - |
| Dividend From Joint Venture Companies | 394 | 2,911 |
| Other non operating income | | |
| Profit on Sale of Fixed Assets | | |
| a) Sale of Ships (Net) | - | (37) |
| b) Sale of Other Fixed Assets | - | 75 |
| Profit on sale of investments | 569 | 449 |
| Profit on sale of bunker | - | 69 |
| Gain or Loss on Fair valuation of investment | 24 | - |
| Excess Provisions & Unclaimed Credit Written Back | 690 | 157 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Net Gain on Foreign Currency Transaction / Translation | - | 2,322 |
| Subsidy to Indian Shipping Companies (promotion of flagging of merchant ships in India) | 1,405 | - |
| Other Miscellaneous Income | 66 | 49 |
| Total | 10,405 | 12,556 |

*This includes interest on Surplus FD (earmarked as per demerger scheme) of Rs. 682.45 lakhs.

Note 22: Cost of services rendered

| Particulars | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Direct Operating Expenses : | | |
| Agency Fees | 1,198 | 1,018 |
| Brokerage | 5,939 | 2,644 |
| Commission | 1,449 | 429 |
| Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net) | 56,782 | 17,652 |
| Marine, Light And Canal Dues | 37,567 | 41,696 |
| Fuel Oil (Net) | 96,993 | 71,326 |
| Water Charges | 610 | 406 |
| Manning expenses | 445 | 40 |
| Honorarium & Training expenses | 347 | 190 |
| Hire Of Chartered Steamers | 35,205 | 22,987 |
| Other Indirect Operating Expenses | | |
| Transfer And Repatriation And Other Benefits | 101 | 91 |
| Stores & Spares | 19,862 | 18,210 |
| Sundry Steamer Expenses | 3,129 | 1,973 |
| Repairs And Maintenance and Survey Expenses | 18,101 | 13,308 |
| Insurance And Protection , Indemnity Club Fees & Insurance Franchise | 12,440 | 7,961 |
| Total | 2,90,168 | 1,99,931 |

Note 23: Employee benefit expense

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| A) Floating staff | | |
| Wages, Bonus And Other Expenses On Floating Staff | 26,726 | 25,412 |
| Gratuity* | 236 | 372 |
| Contribution To Provident Fund | 484 | 498 |
| Staff Welfare Expenses | 220 | 30 |
| B) Shore Staff | | |
| Salaries, Wages, Bonus etc | 18,415 | 18,866 |
| Gratuity* | 64 | 29 |
| Contribution To Provident Fund | 1,049 | 1,064 |
| Contribution To Pension | 1,058 | 1,073 |
| Staff Welfare Expenses** | 105 | (221) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------------|---------------|---------------|
| C) Remuneration to Directors | 185 | 255 |
| Total | 48,542 | 47,378 |

*Refer Note no. 31 for further details

**Includes amount of Rs. 87.55 lakhs (Previous Year Rs (226.62) lakhs) amortisation of deferred employee cost as employee loans are measured at amortised cost.

Note 24: Finance costs

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Interest on: | | |
| - Rupee loans | - | - |
| - Foreign currency loans | 6,172 | 9,355 |
| - Lease Liability | 218 | 225 |
| - Others | - | - |
| Exchange differences regarded as an adjustment to borrowing costs | 9,227 | (8,563) |
| Other borrowing costs* | 153 | 1,094 |
| Total | 15,770 | 2,111 |

* Includes amount of Rs. 142.32 lakhs (Previous Year Rs 1057.35 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 2022 | 31 March 2021 |
|---|---------------|---------------|
| Depreciation on Property, plant and equipment | 63,219 | 62,383 |
| Depreciation on Right of Use Assets* | 283 | 302 |
| Amortisation of Intangible Assets | 42 | 109 |
| Total | 63,544 | 62,794 |

*Refer Note no. 5 for further details

Note 26: Other expenses

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Other Expenses | | |
| Power & Fuel | 308 | 275 |
| Rent | 8 | 23 |
| Repairs and Maintenance | | |
| - Building | 639 | 523 |
| - Others | 1,442 | 1,108 |
| Insurance, Rates and Taxes | 137 | 214 |
| Auditors' Remuneration (Detail in Note no 26(a)) | 66 | 59 |
| Establishment Charges | 1,728 | 1,828 |
| Advertisement & Publicity | 40 | 39 |
| Legal & professional | 294 | 131 |
| Postage, Telephone Telegram & Telex | 67 | 81 |
| Printing & stationery | 39 | 40 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Training, Seminar & Conference Fee | 71 | 6 |
| Travel & Conveyance | 162 | 21 |
| Directors' Sitting Fees | 12 | 15 |
| Directors' Travel Expenses | 4 | 1 |
| Debts / Advances written off | 31 | 184 |
| Interest and Penalties | 165 | 26 |
| Bank Charges | 151 | 67 |
| Service tax ineligible for CENVAT | - | - |
| GST ineligible ITC | 515 | 569 |
| CSR Expenditure (Detail in Note no 26(b)) | 605 | 213 |
| Net loss on Foreign Currency Transaction / Translation | 214 | - |
| Loss on Fair valuation of investment | - | 13 |
| Loss on Sale of Assets | 135 | 484 |
| Demerger Expenses of SCILAL | 24 | - |
| Expenses - Non Core Assets | 377 | - |
| Provisions | | |
| Provision for Doubtful Debts and Advances | 781 | 1,281 |
| Foreign Taxation | 130 | 25 |
| Provision of Asset held for sale | - | (7) |
| Total | 8,145 | 7,219 |

Note 26(a): Details of payments to auditors

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Payment to auditors | | |
| Statutory auditors | | |
| a) Audit fees | 38 | 32 |
| b) Certification Work | 28 | 27 |
| c) Travelling & Out of Pocket Expenses | - | - |
| Total | 66 | 59 |

Note 26(b): Corporate social responsibility expenditure

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| (i) Gross amount required to be spent by the Company during the year (2% of Average Net Profit as per section 135 (5)) | 605 | 195 |
| (ii) Surplus arising out of CSR Project | - | - |
| (iii) Set Off Available From Previous Years | - | - |
| Total CSR Obligation for the Year | 605 | 195 |
| Amount Approved by the Board to be spent during the year | 605 | 195 |
| Amount spent during the year | 398 | 117 |
| Set Off available for succeeding years | - | - |
| Amount Unspent during the year | 207 | 78 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Amount spent during the year on:

| Particulars | 2021-22 | | | 2020-21 | | |
|--|------------|--------------------------|------------|------------|--------------------------|------------|
| | In Cash | Yet to be paid in Cash** | Total | In Cash | Yet to be paid in Cash** | Total |
| (i) Construction / acquisition of any asset | 236 | 6 | 242 | 44 | 19 | 63 |
| (ii) On Purposes Other than (i) above | | | | | | |
| Health and Sanitation | 44 | 57 | 101 | 42 | 36 | 78 |
| Contribution towards PMUY | - | - | - | - | - | - |
| Flagship Projects-CSR | 7 | 24 | 31 | 31 | 1 | 32 |
| Educational Scholarship | 46 | 8 | 54 | 15 | 20 | 35 |
| Swachh Bharat | - | - | - | - | - | - |
| Drinking Water | - | - | - | - | - | - |
| Covid-19 | 65 | 68 | 133 | 3 | 2 | 5 |
| Environment Sustainability | - | 44 | 44 | - | - | - |
| Transfer to Gol Fund | - | - | - | - | - | - |
| Total Expenses (ii) | 162 | 201 | 363 | 91 | 59 | 150 |
| Grand Total (i) and (ii) | 398 | 207 | 605 | 135 | 78 | 213 |

**Provisions made for liabilities incurred

Note 27: Earnings per share

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| (a) Basic and diluted earnings per share | | |
| Profit attributable to the equity holders of the company (A) | 86,522 | 69,609 |
| (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) | 46,57,99,010 | 46,57,99,010 |
| Basic and Diluted earnings per share attributable to the equity holders of the company (A/B) (in ₹) | 18.58 | 14.94 |

Note 28: Contingent Liabilities And Commitments

(a) Contingent Liabilities

| | Particulars | 31 March, 2022 | 31 March 2021 |
|-----|---|----------------|---------------|
| I. | <u>Claims against the company not acknowledged as debts</u> | | |
| | a) State Governments/ Local Authorities | 2,183 | 2,036 |
| | b) CPSEs | 674 | 1,473 |
| | c) Central Government Departments | | |
| | a) Income Tax * | 30,436 | 27,790 |
| | b) Service Tax @ | 1,94,786 | 1,84,031 |
| | c) Sales Tax & VAT | 131 | 131 |
| | d) Others # | 8,446 | 7,788 |
| II. | Guarantees given by the Banks | | |
| | On behalf of the company | 2,976 | 4,531 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| | Particulars | 31 March, 2022 | 31 March 2021 |
|------|---|----------------|---------------|
| | On behalf of Joint Venture to the extent of the company's share | 5,430 | 5,265 |
| III. | Undertaking cum Indemnity given by Company | 6,516 | 6,516 |
| IV. | Bonds/Undertakings given by the Company to Customs Authorities | 59,675 | 41,098 |
| V. | Corporate Guarantees/Undertakings | | |
| | a) In respect of Joint ventures | Nil | Nil |
| | b) Others | 1,947 | 3,028 |

(b) Contingent Assets

| | Particulars | 31 March 2022 | 31 March 2021 |
|----|--|---------------|---------------|
| I. | <u>Claims by the Company not acknowledged as asset</u> | | |
| | a) State Governments/ Local Authorities | Nil | Nil |
| | b) CPSEs | Nil | Nil |
| | c) Central Government Departments | 150 | 150 |
| | d) Others | 358 | 358 |

(c) Commitments

| | Particulars | 31 March 2022 | 31 March 2021 |
|----|---|---------------|---------------|
| I. | Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for | 15,954 | 8,016 |
| | Uncalled liability on shares and other investments partly paid | Nil | Nil |
| | Other Commitments in the form of equity share with JVS | Nil | Nil |

* The following demands are not disclosed as contingent liability as the possibility of an outflow of resources embodying economic benefits is remote as assessed by the Company;

- (a) In case of AY 2013-14 & 2016-17 for which the assessments were re-opened and in case of AY 2017-18 for which the assessment has been completed, the Income Tax department has issued orders determining additional demand to the tune of Rs. 410 lakhs, 1,083 lakhs and 1,436 lakhs respectively. While going through the orders, it is noticed that there are errors in determining the income or allowing credit for tax paid. The Company has filed appeals against the said orders and is hopeful of getting the demand reversed. Further, the demands arising on account of the refunds received in the past in respect of the assessments for AY 2013-14 & 2016-17 are not considered for the purpose of disclosure as contingent liability, considering that the demands are expected to be reversed.
- (b) In respect of AY 2019-20 and AY 2020-21, the Income Tax department has issued order u/s 143(1) of the Income Tax Act, determining demand of Rs. 31115 lakhs in AY 2019-20 and lower refund to Rs 419 lakhs as compared to refund claimed of Rs. 5,611 lakhs in return of income filed for AY 2020-21. While going through the said orders, it is found that the demand amount has been determined on account of technical error and mistake apparent from record on the part of Income Tax department. The Company has received rectification order from the Income Tax department on similar items in respect of AY 2018-19. Accordingly, the Company is hopeful of getting the said orders for AY 2019-20 and 2020-21 rectified and is hopeful of getting the demand reversed/getting the refund claimed in the return of income.

@ includes a sum of Rs. 97,774 lakhs as interest (previous year Rs 88,239 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Details of other Cases

| Sl. no | PARTICULARS | Brief Description | 31 March, 2021 | Addition | Deletion | 31 March, 2022 |
|--------|--|---|----------------|----------|----------|----------------|
| 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. | 5,211 | 174 | - | 5,385 |
| 2 | Mercuria v/s SCI MT Maharshi Parashuram | 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 12th February 2012 and sailed for discharge port on 13th 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). | 37 | 1 | - | 38 |
| 3 | SCI Vs M/s Jyoti Marine, Kakinada | M/s Jyothi Marine had arranged slop reception facility for our vessel M.T. ABUL KALAM AZAD and de-slopping was carried out at inner anchorage on 10.10.2017. Invoice dated 01.01.2018 for amount Rs. 13.53 Lakhs was submitted and revised invoice on 23.07.2018. In view of non-payment till date party has claimed a total amount of INR 20.54 Lakhs with interest. | - | 21 | - | 21 |
| 4 | SCI VS M/s Amarante MV Vishva Diksha | M.V Vishva Diksha was fixed on a time charter with M/s Amarante for 3 voyages. On her last voyage, vessel called Bengkulu, Indonesia on 30-04-21 for loading about 55000mt Coal. However, on arrival part of the crew were found covid positive and hence, the loading operations were delayed. On 08-05-21, the port authorities instructed vessel to stop loading and proceed out of the port limits. In-view of the health conditions of the affected crew and also safety of the vessel and the crew on board, vessel was instructed to proceed to her disport in India. Vessel had loaded only about 33000mt cargo against planned about 55000mt. Charterers are now claiming deadfreight for short loading of cargo and also off-hire of all waiting period at Bengkulu and disport Kakinada citing the covid affected crew on board. | - | 232 | - | 232 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| SI. no | PARTICULARS | Brief Description | 31 March, 2021 | Addition | Deletion | 31 March, 2022 |
|--------|---|---|----------------|----------|----------|----------------|
| 5 | 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 Rs. 7 lakhs with interest at 24% p.a. which was forfeited by SCI for not fulfilling the terms & conditions of the tender. | 25 | 1 | - | 26 |
| 6 | 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 Rs. 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. | 34 | 1 | - | 35 |
| 7 | 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 |
| 8 | Safesea Group | Invoices pertaining to years 2014 / 2015 / 2016 could not be settled owing to disputes relating to cargo quantity, change in freight due to shipment not loaded within agreed period, freight limit imposed by consignees etc. M/s.Safesea arrested SCI vessel, M.V.Vishva Anand at Durban to recover the outstanding amount. They have claimed outstanding amount plus interest plus legal costs. | 380 | 17 | - | 397 |
| 9 | M/s Lilly Maritime Pvt Ltd. – Plaintiff V/s The SCI Ltd. _ Defendant (MV Indira Gandhi). | Bill Of Entry documents pertaining to the Vessel importation at the time of Delivery or documents pertaining to filed Bill of Entry due to which buyer refused to take the delivery of the vessel after making the full payment and filed case against SCI for not providing above documents and sought for an interim relief against SCI on 03.05.2017. The H'onble Judge passed directive to take the delivery of the vessel and asked SCI to deposit 5% of Sales Tax dues with the court i.e The Prothonotary & Senior Master High Court Mumbai which SCI did. Vessel handed over to Buyer M/s Lilly on 22.05.2017. The buyer has filed notice of motion stating to refund the EMD and ROB amount after the joint bunker survey. | - | 132 | - | 132 |
| 10 | M/S N K Traders (2002 case) | Money claim against SCI for non-payment of party's bills of Rs. 29,91,871/- and the security deposit of Rs.1,25,000/ | 90 | 3 | - | 93 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| SI. no | PARTICULARS | Brief Description | 31 March, 2021 | Addition | Deletion | 31 March, 2022 |
|--------|---|---|----------------|----------|----------|----------------|
| 11 | 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 |
| 12 | BL Transport & BL Shipping agencies & United India Ins Co ltd | Towards Repair cost of pay loader used for loading of barytee powder | 50 | 2 | - | 53 |
| 13 | 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 Rs. 1,25,000/-. | 10 | - | - | 10 |
| 14 | 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 |
| 15 | 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 Rs. 55,251/-, | 1 | - | - | 1 |
| 16 | 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 Rs. 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 Rs. 1,30,000/- as death compensation. | 10 | - | - | 10 |
| 17 | Canteen Workers Lal Bavta | Lal Bavta Case (absorption of canteen contract worker) | 795 | 55 | - | 850 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Sl. no | PARTICULARS | Brief Description | 31 March, 2021 | Addition | Deletion | 31 March, 2022 |
|--------|-----------------------------------|--|----------------|------------|----------|----------------|
| 18 | M/s BHN Offshore Services Pvt Ltd | The Arbitration proceeding initiated by M/s BHN Offshore Services Pvt Ltd on 3rd May,2021(Manning agent of FP who was terminated) and his claim of Rs 19.75 lakhs incorporated. SCI filed Reply refuting all claims and justifying the reasons for the termination. SCI has also filed documentary evidence in the matter. | - | 20 | - | 20 |
| 19 | Kolkata Technical Fleet Personnel | Compensation related Fleet personnel cases | 209 | - | - | 209 |
| 20 | OSV | Compensation cases of OSV fleet personnel | 266 | - | - | 266 |
| 21 | Disability cases - Officers | Disability compensation of Fleet personnel (Officer) cases. | 23 | - | - | 23 |
| 22 | Disability - Crew | Disability compensation of Fleet personnel (Crew) cases. | 36 | - | - | 36 |
| 23 | Death Cases | Death compensation cases of Fleet personnel | 110 | - | - | 110 |
| 24 | Misc | Fleet personnel miscellaneous cases | 255 | - | - | 255 |
| 25 | PF and Gratuity Cases | Compensation cases of wages,PF & Gratuity | 29 | - | - | 29 |
| 26 | Manning agent (Wage/ PF/Gratuity) | Manning agent cases on wages,PF & Gratuity | 14 | - | - | 14 |
| | | Total | 7,788 | 658 | - | 8,446 |

(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 Rs. 59,675 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 | 31 March, 2021 | Addition | Deletion | 31 March, 2022 |
|---|-----------------|---------------|------------|-----------------|
| a) State Governments/ Local Authorities | 2,036 | 147 | - | 2,183 |
| b) CPSEs | 1,473 | - | 799 | 674 |
| c) Central Government Departments | | | | |
| a) Income Tax | 27,790 | 2,828 | 182 | 30,436 |
| b) Service Tax | 1,84,031 | 10,755 | - | 1,94,786 |
| c) Sales Tax & VAT | 131 | - | - | 131 |
| d) Others | 7,788 | 658 | - | 8,446 |
| Total | 2,23,249 | 14,388 | 981 | 2,36,656 |

Note 29: Income taxes

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

(a) Deferred Tax

| Particulars | 31 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| Deferred tax relates to the following: | | |
| Upward fair valuation of PPE | 5,502 | 5,502 |
| Deferred tax -upward valuation of Financial Asset | 83 | 78 |
| Net Deferred Tax Liabilities | 5,585 | 5,580 |

* Deferred Tax liability of Rs 5502 lakhs has been shown as Liabilities classified as held for demerger (Note No 18 (a)) w.e.f. 01.04.2021

(b) Movement in deferred tax liabilities

| Particulars | 31 March, 2022 | 31 March 2021 |
|--|----------------|---------------|
| Opening balance as of April 1 2021 | 5,580 | 7,531 |
| Tax income/(expense) during the period recognised in profit or loss | 5 | (1,951) |
| Closing balance as at March 31 2022 | 5,585 | 5,580 |
| Deferred Tax liability has been shown as Liabilities classified as held for demerger (Note No 18(a)) w.e.f. 01.04.2021 | 83 | - |
| Deferred Tax liability has been shown under note no 16 | 5,585 | 5,580 |

(c) Income tax recognised in profit or loss

| Particulars | 31 March, 2022 | 31 March 2021 |
|-------------------------------------|----------------|---------------|
| Income tax expense | | |
| Current tax | | |
| Current tax on profits for the year | 4,230 | 3,611 |
| Tax pertaining to earlier years | 104 | 7 |
| Deferred tax | 5 | (1,951) |
| MAT Credit Entitlement | - | - |
| Income tax expense | 4,339 | 1,667 |

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

| Particulars | 31 March, 2022 | 31 March 2021 |
|--|----------------|---------------|
| Profit before income tax expense | 83,729 | 63,452 |
| Tax Rate | 25.17% | 25.17% |
| Tax on Profit before Tax | 21,075 | 15,971 |
| Less: Tax effect of income that are not taxable in determining taxable profit | (17,490) | (12,322) |
| Less: Tax effect of Dividend Income that are not taxable in determining taxable profit | (99) | (733) |
| Add: Impact of tonnage tax scheme | 696 | 694 |
| Less: Difference in tax gains and book gains (Capital gains) | (1) | (6) |
| Less: Reversal of DTL | 5 | (1,951) |
| Add: Excess provision - current tax | 50 | 1 |
| Add: Tax pertaining to earlier years | 104 | 7 |
| Add: Tax effect on Loss of subsidiary | - | 6 |
| Less: Exempt income - Dividend from mutual funds | - | - |
| Add: MAT credit utilised for the year (Written off) | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | 31 March, 2022 | 31 March 2021 |
|--------------------|----------------|---------------|
| Income tax expense | 4,339 | 1,667 |

Basis of applicable tax rate :

| | | |
|----------------------------|---------------|---------------|
| Normal Tax rate | 22% | 22% |
| Surcharge | 10% | 10% |
| Health and Education Cess | 4% | 4% |
| Applicable Tax rate | 25.17% | 25.17% |

(e) Current tax liabilities

| Particulars | 31 March, 2022 | 31 March 2021 |
|---------------------------------------|----------------|---------------|
| Opening balance | - | - |
| Add: Current tax payable for the year | 4,230 | 3,611 |
| Less: Taxes paid | (4,230) | (3,611) |
| Closing balance | - | - |

Note 30 : Related party transactions

(a) Control

Government of India enterprises controlled by Central Government

(b) 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.

(c) Key Management Personnel

Whole Time Directors

1. Smt H. K. Joshi (CMD w.e.f. 12.09.2019 and Director[Finance] additional charge)
2. Shri Rajesh Sood (ceased to be on Board w.e.f. 01.05.2021)
3. Smt Sangeeta Sharma (ceased to be on Board w.e.f. 01.12.2020)
4. Shri Surinder Pal Singh Jaggi (ceased to be on Board w.e.f. 01.12.2020)
5. Shri Atul Ubale (joined SCI Board on 05.12.2019)
6. Shri B.K. Tyagi (joined SCI Board on 07.01.2021)
7. Shri P.K. Gangopadhyay (joined SCI Board on 07.09.2021)

Company Secretary

1. Shri Dipankar Haldar, Executive Director (Legal Affairs & Company Secretary (ceased on 31.01.2022)
2. Smt Swapnita Vikas Yadav (appointed as Company Secretary & Compliance Officer w.e.f. 01.02.2022)

Chief Financial Officer

1. Shri L C Serrao

(d) Non Executive Directors - Not KMPs

Independent Directors

1. Shri Vijay Tulshiramji Jadhao (ceased to be on the Board of SCI on 02.07.2021)
2. Shri Pramod Kumar Panda (joined SCI Board on 18.10.2019)
3. Shri Mavjibhai Sorathia (ceased to be on the Board on 17.12.2021)
4. Shri Gulabbhai Rohit (joined SCI Board on 22.11.2021)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

5. Smt Arunima Dwivedi (joined SCI Board on 07.12.2021)
6. Shri K.N.P. Chakravarthy (joined SCI Board on 07.12.2021)
7. Shri Shreekanth Pattar (joined SCI Board on 07.12.2021)
8. Dr. Anil Kumar Misra (joined SCI Board on 07.12.2021)

Government Nominee Directors

1. Shri Sanjay Kumar (joined SCI Board on 29.01.2020)
2. Shri Vikram Singh (joined SCI Board on 02.06.2021)

Key management personnel compensation

| Name | Short-term employee benefits | | Post-employment benefits | | Long-term employee benefits | | Employee share-based payment | |
|-----------------------------------|------------------------------|---------------|--------------------------|---------------|-----------------------------|---------------|------------------------------|---------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| 1. Smt H.K Joshi | 53 | 43 | 10 | 9 | - | - | - | - |
| 2. Shri Rajesh Sood | 3 | 40 | 1 | 8 | - | - | - | - |
| 3. Smt Sangeeta Sharma | - | 40 | - | 5 | - | - | - | - |
| 4. Shri Surinder Pal Singh Jaggi | - | 52 | - | 5 | - | - | - | - |
| 5. Shri Atul Ubale | 40 | 34 | 8 | 7 | - | - | - | - |
| 6. Shri B.K. Tyagi | 40 | 15 | 8 | 2 | - | - | - | - |
| 7. Shri Prabir Kumar Gangopadhyay | 23 | - | 4 | - | - | - | - | - |
| 8. Shri Dipankar Haldar | 37 | 40 | 7 | 8 | - | - | - | - |
| 9. Smt Swapnita Vikas Yadav | 5 | - | 1 | - | - | - | - | - |
| 10. Shri L C Serrao | 43 | 39 | 8 | 7 | - | - | - | - |
| Total | 244 | 303 | 47 | 51 | - | - | - | - |

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.

(e) Other transactions with related parties

The following transactions occurred with related parties:

| Nature of Transactions | 31 March, 2022 | 31 March 2021 |
|------------------------|----------------|---------------|
| Sitting Fees | 12 | 15 |

(f) CMD is a Director on the Board of The Standard Club Ltd. where the club pays director sitting fee to SCI. A fees of Rs.22 lakhs pertaining to FY 21-22, Rs.25 lakhs FY 20-21 and Rs.16 lakhs in FY 19-20 and Rs.13 lakhs in FY 18-19 was received by SCI, this amount was waived by CMD in favour of SCI and is not included in KMP remuneration.

(g) Transactions with JVS and Outstanding Balances are as follows:

| Nature of Transactions | 31 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| 1) Interest Income during the year | 896 | 1,034 |
| 2) Expenses Reimbursed/(incurred) during the year | (8) | 112 |
| 3) Management & Accounting fees earned during the year | 2,128 | 2,065 |
| 4) Guarantee fees received during the year | 43 | 42 |
| 5) Investment made during the year | - | - |
| 6) Loans realised during the year | 4,169 | 2,022 |
| 7) Interest amount compounded in to principal during the year | - | - |
| 8) Dividend received | 394 | 2,911 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Outstanding Balances | 31 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| 1) Investments | 7,408 | 7,408 |
| 2) Loan Balances | 18,540 | 22,100 |
| 3) Other Receivable | - | - |
| 4) Payable on account of Ship | 21,788 | 21,788 |
| 5) Guarantees Given for JVS | 5,430 | 5,265 |
| 6) Interest receivable | 201 | 249 |
| 7) Expenses recoverable/ (payable) from JVs | (19) | 38 |

(h) Transactions with Government related entities

(1) Significant Transactions

Government related entities along with description of relationship wherein significant amount of transaction carried out:

Amount in INR lakhs

| Name of related party | Relation | Nature of transaction | 31 March 2022 | 31 March 2021 |
|---|----------------------------|---|---------------|---------------|
| Hindustan Petroleum Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 62,749 | 70,645 |
| Indian Oil Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 43,602 | 35,837 |
| Steel Authority Of India Ltd | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 25,945 | 12,589 |
| Oil And Natural Gas Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 23,004 | 20,013 |
| Mangalore Refinery and Petrochemicals Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 19,187 | 20,499 |
| Bharat Petroleum Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 15,633 | 30,955 |
| Chennai Petroleum Corporation Limited | Central PSU | Revenue from Freight/Charter Hire/ Demurrage etc. | 12,596 | 12,075 |
| Indian Oil Corporation Limited | Central PSU | Purchases of Bunker, Oil etc | 38,552 | 14,840 |
| Bharat Petroleum Corporation Limited | Central PSU | Purchases of Bunker, Oil etc | 17,257 | 2,965 |
| The Oriental Insurance Co. Ltd | Central PSU | Insurance etc. | 15,195 | 8,907 |
| Cochin Shipyard | Central PSU | Repair/Drydock of vessel | 3,395 | 11,498 |
| Oil And Natural Gas Corporation Limited | Central PSU | Recovery of Reimbursable expenses | 25,118 | 21,554 |
| Andaman & Nicobar Administration | A&N Admin | Recovery of Reimbursable expenses | 17,500 | 16,676 |
| Ministry of Earth Sciences | Ministry of Earth Sciences | Recovery of Reimbursable expenses | 3,220 | 3,474 |
| Geological Survey Of India | Ministry of Mines | Recovery of Reimbursable expenses | 8,482 | 4,874 |

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 2022 | 31 March 2021 |
|--------------------------------------|-------------|--|---------------|---------------|
| Hindustan Petroleum Corporation Ltd. | Central PSU | Trade Receivable/(Advance from customer) | 9,075 | 9,907 |
| Bharat Petroleum Corporation Ltd. | Central PSU | Trade Receivable/(Advance from customer) | 2,350 | 5,711 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Name of related party | Relation | Nature of transaction | 31 March 2022 | 31 March 2021 |
|--|-------------------|--|---------------|---------------|
| Indian Oil Corporation Ltd. | Central PSU | Trade Receivable/(Advance from customer) | 6,476 | 6,531 |
| Geological Survey Of India | Ministry of Mines | Trade Receivable/(Advance from customer) | (1,267) | (1,804) |
| Andaman and Nicobar Administration | Central PSU | Trade Receivable/(Advance from customer) | 14,483 | 5,281 |
| Indian Navy | Central PSU | Trade Receivable/(Advance from customer) | 3,253 | - |
| Cochin Shipyard Limited | Central PSU | Trade Payable/(Advance to vendor) | 802 | 10,067 |
| Indian Oil Corporation Limited | Central PSU | Trade Payable/(Advance to vendor) | 2,314 | 485 |
| Bharat Petroleum Corporation Ltd. | Central PSU | Trade Payable/(Advance to vendor) | 603 | - |
| Deendayal Port Trust (earlier referred as Kandla Port Trust) | Govt. Port Trust | Trade Payable/(Advance to vendor) | 487 | 86 |
| Cochin Port Trust | Govt. Port Trust | Trade Payable/(Advance to vendor) | (292) | 1 |
| Vizag Port Trust | Govt. Port Trust | Trade Payable/(Advance to vendor) | (551) | (855) |
| Haldia Dock Complex | Govt. Port Trust | Trade Payable/(Advance to vendor) | (254) | (4) |
| Paradeep Port Trust | Govt. Port Trust | Trade Payable/(Advance to vendor) | (209) | (141) |
| The Oriental Insurance Co Ltd. | Central PSU | Trade Payable/(Advance to vendor) | (936) | (126) |

(2) Other than Significant Transactions

Other than significant transactions carried out are as follows:

| Particulars | 31 March, 2022 | 31 March 2021 |
|-----------------------------------|----------------|---------------|
| Revenue | 59,433 | 27,721 |
| Purchases/services | 17,540 | 20,964 |
| Recovery of Reimbursable expenses | 3,234 | 3,450 |

Other than significant amount of balance receivable/payable from/to related parties are as follows:

| Outstanding Balances | 31 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| Trade Receivable/(Advance from customers) | 14,178 | 14,057 |
| Trade Payable/(Advance to vendors) | (968) | (2,745) |

(i) Details of Guarantees given

| Particulars | 31 March, 2022 | 31 March 2021 |
|--|----------------|---------------|
| Petronet LNG Limited | 5,430 | 5,232 |
| Oil & Natural Gas Corporation Limited | 2,267 | 3,014 |
| Oriental Insurance Company Limited | 1,975 | 1,501 |
| Other than significant balance of guarantee given to related parties | 680 | 1,011 |

(j) Details of Deposits

| Particulars | Relation | Deposit Given/(Received) | 31 March, 2022 | 31 March 2021 |
|---------------------|------------------|--------------------------|----------------|---------------|
| Haldia Dock Complex | Govt. Port Trust | Deposit Given | 653 | 583 |
| Kolkata Port Trust | Govt. Port Trust | Deposit Given | 172 | 77 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Relation | Deposit Given/ (Received) | 31 March, 2022 | 31 March 2021 |
|--------------------------------|-------------|------------------------------|----------------|---------------|
| The Oriental Insurance Co Ltd. | Central PSU | Deposit Given | 150 | 150 |

(k) Trust

Transactions with Post Retirement Plans managed through separate trust wherein SCI having control :

| Name of related party | Nature of transaction | 31 March 2022 | 31 March 2021 |
|--|-------------------------|---------------|---------------|
| 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 | 1,398 | 1,418 |
| 4. SCI Employee Superannuation Trust | Employer's Contribution | 1,053 | 1,067 |
| 5. Provident Fund for The Crew Non CDC holders of The Shipping Corporation of India Limited | - | - | - |

Transactions with other government-related entities

Apart from the transactions disclosed in (j) and (k) 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.

Note 31 : Employee Benefit Obligations

(A) Description of type of employee benefits

a) The Company offers to its employee's defined benefits plans in the form of Gratuity, leave encashment and post retirement Medical Scheme

| | | |
|------|---|--|
| i. | Gratuity | a) Represents benefits to employee on the basis of number of years of service rendered by employee. The employee is entitled to receive the same on retirement or resignation. |
| | | b) SCI has formed a trust for gratuity which is funded by the Company on a regular basis. The assets of the trust have been considered as plan assets. |
| ii. | Leave Encashment | Represents unavailed leave to the credit of the employee and carried forward in accordance with terms of agreement. |
| iii. | Post Retirement Medical Benefit Scheme | Represents benefits given to employees subsequent to retirement on the happening of any unforeseen event resulting in medical costs to the employee |

b) The Company offers to its employees defined contribution plan in the form of provident fund, post retirement medical scheme (New w.e.f. 01.01.2007) and pension contribution

The details of the plan are as follows:-

| | | |
|------|---|--|
| i. | Provident Fund | It is a contribution made on monthly basis @ 12% of monthly Basic and DA to the PF Trust who credits annual interest on PF balances. The corpus accumulated is paid on retirement of the employee. |
| ii. | Post Retirement Medical Scheme (New w.e.f. 01.01.2007) | It is a contribution @ 4% of monthly Basic and DA towards provision of employees' medical expenses incurred after retirement. |
| iii. | Pension contribution | It is a contribution @ 12% of monthly Basic and DA towards provision of annuity after retirement of employees. |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(B) Gratuity

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|----------------|
| 31-Mar-20 | 10,388 | 14,961 | (4,573) |
| Current service cost | 595 | - | 595 |
| Past service cost | - | - | - |
| Interest expense/(income) | 669 | 1001 | (332) |
| Total amount recognised in profit and loss | 1264 | 1001 | 263 |
| Remeasurements | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | 1050 | (1,050) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (142) | - | (142) |
| Experience (gains)/losses | (802) | - | (802) |
| (i) Amount recognised in other comprehensive income | (944) | 1050 | (1,994) |
| Employer contributions | - | - | - |
| Benefit payments | (1,111) | (1,111) | 0 |
| Unrecognised Asset due to Limit in Para 64(b) | - | 0 | - |
| (ii) 31 March 2021 | 9,596 | 15,901 | (6,305) |
| (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)] | (944) | 1050 | (1,994) |
| Closing Balance Sheet (Asset) / Liability as on 31 March 2021 [(ii) + (iii) + (v)] | | | (6,305) |

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|----------------|
| 31-Mar-21 | 9,596 | 15,901 | (6,305) |
| Current service cost | 556 | - | 556 |
| Past service cost | - | - | - |
| Interest expense/(income) | 662 | 1,097 | (435) |
| Total amount recognised in profit and loss | 1,218 | 1,097 | 121 |
| Remeasurements | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | (440) | 440 |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (162) | - | (162) |
| Experience (gains)/losses | (1,512) | - | (1,512) |
| (i) Amount recognised in other comprehensive income | (1,674) | (440) | (1,234) |
| Employer contributions | - | - | - |
| Benefit payments | (931) | (931) | - |
| Unrecognised Asset due to Limit in Para 64(b) | - | - | - |
| (ii) 31 March 2022 | 8,209 | 15,627 | (7,418) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|----------------|
| (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)] | (1,674) | (440) | (1,234) |
| Closing Balance Sheet (Asset) / Liability as on 31 March 2022 [(ii) + (iii) + (v)] | | | (7,418) |

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 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| Present value of funded obligations | 8,209 | 9,596 |
| Fair value of plan assets | 15,627 | 15,901 |
| Deficit of funded plan | (7,418) | (6,305) |
| Unfunded plans | - | - |
| Unrecognised Asset due to Limit in Para 64(b) | - | - |
| Deficit of gratuity plan | (7,418) | (6,305) |

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

| Principal Assumptions at the balance sheet date: | | |
|--|---|---|
| Financial Assumptions | 31 March, 2022 | 31 March 2021 |
| Discount Rate | 7.10% | 6.90% |
| Salary Escalation Rate-Shore Staff | 7.80% | 7.80% |
| Salary Escalation Rate-Floating Staff | 9.00% | 9.00% |
| Expected Return on Assets | 7.10% | 6.90% |
| Demographic Assumptions | 31 March, 2022 | 31 March 2021 |
| 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:

| Financial Assumptions | 31 March, 2022 | | 31 March 2021 | |
|--|----------------|----------|---------------|----------|
| Defined Benefit Obligation (Base) | 8,209 | | 9,596 | |
| Sensitivity Analysis | 31 March, 2022 | | 31 March 2021 | |
| Table 14 : Sensitivity Analysis | Decrease | Increase | Decrease | Increase |
| Discount Rate | | | | |
| Impact of increase/decrease in 50 bps on DBO | 418 | (387) | 344 | (296) |

| | | | | |
|--|-------------------------------|-----|-------------------------------|-----|
| Salary Growth Rate Impact of increase/decrease in 50 bps on DBO | (196) | 206 | (289) | 328 |
| Change in the Unrecognised Asset due to the Asset Ceiling During the Period | 31-Mar-21 to 31-Mar-22 | | 31-Mar-20 to 31-Mar-21 | |
| 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 :

| | 31 March, 2022 | | | |
|--|----------------|--------------|---------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Government of India Securities Debt instruments | 8,985 | - | 8,985 | 57% |
| Investment in Bonds | 1,790 | - | 1,790 | 11% |
| Other Assets including accrued interest | 1,003 | 277 | 1,280 | 8% |
| Investment in Deposits including Bank Balance | 0 | 3,593 | 3,593 | 23% |
| Total | 11,778 | 3,870 | 15,648 | 100% |

| | 31 March, 2021 | | | |
|--|----------------|--------------|---------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Government of India Securities Debt instruments | 9,668 | - | 9,668 | 61% |
| Investment in Bonds | 400 | - | 400 | 3% |
| Other Assets including accrued interest | 1,015 | 216 | 1,231 | 8% |
| Investment in Deposits including Bank Balance | - | 4,603 | 4,603 | 29% |
| Total | 11,083 | 4,819 | 15,902 | 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 Rs.657 lakhs (Prev. period Rs.2051.22 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

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(All amounts in INR lakhs, unless otherwise stated)

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 10.21 years (2021 – 11.02 years).

(C) Leave Encashment (Unfunded)

Balance sheet amount (Leave Encashment)

| Particulars | Present value of obligation |
|---|-----------------------------|
| 31-Mar-20 | 5,422 |
| Current service cost | 431 |
| Interest expense/(income) | 368 |
| Actuarial (Gain)/loss from change in financial assumptions | (42) |
| Actuarial (Gain)/loss from change in demographic assumptions | - |
| Actuarial - Experience (gains)/losses | 112 |
| Total amount recognised in profit and loss | 868 |
| Employer contributions | |
| Benefit payments* | (1,140) |
| 31-Mar-21 | 5,150 |

* For leave encashment, the benefits paid are debited to the statement of Profit and Loss.

| Particulars | Present value of obligation |
|---|-----------------------------|
| 31-Mar-21 | 5,150 |
| Current service cost | 412 |
| Interest expense/(income) | 355 |
| Actuarial (Gain)/loss from change in financial assumptions | (111) |
| Actuarial (Gain)/loss from change in demographic assumptions | - |
| Actuarial - Experience (gains)/losses | 1,149 |
| Total amount recognised in profit and loss | 1,805 |
| Employer contributions | |
| Benefit payments* | (919) |
| 31-Mar-22 | 6,036 |

The net liability disclosed above relates to unfunded plan are as follows:

| Particulars | 31 March, 2022 | 31 March 2021 |
|---------------------------------------|----------------|---------------|
| Present value of unfunded obligations | 6,036 | 5,150 |
| Deficit of funded plan | 6,036 | 5,150 |
| Deficit of leave encashment plan | 6,036 | 5,150 |

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

| Principal Assumptions at the balance sheet date: | | |
|--|----------------|---------------|
| Financial Assumptions | 31 March, 2022 | 31 March 2021 |
| Discount Rate | 7.10% | 6.90% |
| Salary Escalation Rate-Floating Staff | 9.00% | 9.00% |

| Principal Assumptions at the balance sheet date: | | |
|---|---|---|
| Demographic Assumptions | 31 March, 2022 | 31 March 2021 |
| 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 March, 2022 | | 31 March 2021 | |
|--|-----------------------|-------|----------------------|-------|
| Defined Benefit Obligation (Base) | 6,036 | | 5,150 | |
| (M) Sensitivity Analysis | 31 March, 2022 | | 31 March 2021 | |
| Discount Rate | 286 | (265) | 200 | (169) |
| Impact of increase/decrease in 50 bps on DBO | | | | |
| Salary Growth Rate | (237) | 253 | (209) | 219 |
| Impact of increase/decrease in 50 bps on DBO | | | | |

The weighted average duration of the defined benefit obligation is 9.54 years (2021-11.02 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 |
|---|------------------------------------|----------------------------------|-------------------|
| 31-Mar-20 | 2,264 | 710 | 1,554 |
| Past service cost | - | - | - |
| Interest expense/(income) | 143 | 48 | 96 |
| Total amount recognised in profit and loss | 143 | 48 | 96 |
| <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 | (31) | - | (31) |
| Experience (gains)/losses | (7) | 36 | (43) |
| Total amount recognised in other comprehensive income | (38) | 36 | (74) |

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| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|------------------------|-----------------------------|---------------------------|--------------|
| Employer contributions | - | | - |
| Benefit payments | (136) | (136) | - |
| 31-Mar-21 | 2,234 | 658 | 1,576 |

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|-----------------------------|---------------------------|--------------|
| 31-Mar-21 | 2,234 | 658 | 1,576 |
| Past service cost | - | - | - |
| Interest expense/(income) | 154 | 41 | 113 |
| Total amount recognised in profit and loss | 154 | 41 | 113 |
| <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 | 32 | - | 32 |
| Experience (gains)/losses | (191) | 54 | (245) |
| Total amount recognised in other comprehensive income | (159) | 54 | (213) |
| Employer contributions | - | | - |
| Benefit payments | (221) | (221) | 0 |
| 31-Mar-22 | 2,008 | 532 | 1,476 |

The net liability disclosed above relates to funded and unfunded plans are as follows:

| Particulars | 31 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| Present value of funded obligations | 2,008 | 2,234 |
| Fair value of plan assets | 532 | 658 |
| Deficit of funded plan | 1,476 | 1,576 |
| Unfunded plans | | |
| Deficit of Post Retirement Medical Benefit Scheme plan | 1,476 | 1,576 |

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

| Financial Assumptions | 31 March, 2022 | 31 March 2021 |
|----------------------------|--|----------------------------------|
| Discount Rate | 6.20% | 6.90% |
| Expected Return on Assets | 6.20% | 6.90% |
| Demographic Assumptions | 31 March, 2022 | 31 March 2021 |
| 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 March, 2022 | 31 March 2021 |
|-----------------------------------|----------------|---------------|
| Defined Benefit Obligation (Base) | 2,008 | 2,234 |

| Table 12 : Sensitivity Analysis | 31 March, 2022 | | 31 March, 2021 | |
|--|----------------|----------|----------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate Impact of increase/decrease in 50 bps on DBO | 92 | (43) | 85 | (75) |

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 March, 2022 | | | |
|---|----------------|------------|------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Investment in Deposits including Bank Balance | - | 506 | 506 | 95% |
| Other Assets including accrued interest | - | 26 | 26 | 5% |
| Total | - | 532 | 532 | 100% |

| | 31-Mar-2021 | | | |
|---|-------------|------------|------------|-------------|
| | Quoted | Unquoted | Total | in % |
| Investment in Deposits including Bank Balance | - | 616 | 616 | 94% |
| Other Assets including accrued interest | - | 42 | 42 | 6% |
| Total | - | 658 | 658 | 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 4.52 years (2021–10.21 years).

The expected future cash flows as at 31.03.2022 are as follows :

Projected benefits payable in future years from the date of reporting

| Expected Contribution | Gratuity | Leave Encashment | PRMS |
|-----------------------|----------|------------------|------|
| 1st following year | 519 | 251 | 442 |
| 2nd following year | 905 | 665 | 354 |
| 3rd following year | 517 | 345 | 310 |
| 4th following year | 777 | 611 | 271 |
| 5th following year | 592 | 410 | 235 |
| Years 6 to 10 | 4,520 | 3,844 | 739 |

The expected future cash flows as at 31.03.2021 are as follows :

Projected benefits payable in future years from the date of reporting

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| Expected Contribution | Gratuity | Leave Encashment | PRMS |
|-----------------------|----------|------------------|-------|
| 1st following year | 1,148 | 186 | 219 |
| 2nd following year | 764 | 336 | 243 |
| 3rd following year | 914 | 602 | 274 |
| 4th following year | 526 | 413 | 316 |
| 5th following year | 783 | 517 | 364 |
| Years 6 to 10 | 3,236 | 2,662 | 1,274 |

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. With effect from 1st October 2020, the passenger and research vessels managed under the L&PS Division has been transferred to T&OS Division for better synergy of this function with the T&OS Division and good governance thereon.

(I) Liner

Liner segment includes break-bulk, container transport.

(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, income from technical consultancy and passenger vessels & research vessels managed on behalf of other organisations.

(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.

| EBIT | 31 March, 2022 | 31 March 2021 |
|----------------------------|----------------|---------------|
| Liner | 61,227 | 7,595 |
| Bulk | 57,049 | 1,128 |
| Tanker | (28,315) | 50,770 |
| T&OS | 2,062 | (4,928) |
| Others | (255) | (869) |
| Unallocated | 7,607 | 13,130 |
| Total adjusted EBIT | 99,375 | 66,826 |

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(All amounts in INR lakhs, unless otherwise stated)

Adjusted EBIT reconciles to profit before income tax as follows:

| | 31 March, 2022 | 31 March 2021 |
|--|----------------|---------------|
| Total adjusted EBIT | 99,375 | 66,826 |
| Finance costs : | | |
| Liner | 5 | 5 |
| Bulk | 1,069 | 1,748 |
| Tanker | 1,761 | 1,268 |
| T&OS | 820 | 474 |
| Others | - | - |
| Unallocated | 12,115 | (1,384) |
| Total Finance costs | 15,770 | 2,111 |
| Interest income from investments | 7,256 | 6,561 |
| Profit before income tax from continuing operations | 90,861 | 71,276 |

Depreciation included in adjusted EBIT

| | 31 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| Liner | 1,888 | 1,882 |
| Bulk | 10,629 | 11,389 |
| Tanker | 44,239 | 42,585 |
| T&OS | 6,769 | 6,875 |
| Others | 19 | 63 |
| Unallocated | - | - |
| Total Depreciation included in adjusted EBIT | 63,544 | 62,794 |

(d) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

| | 31 March, 2022 | | | 31 March 2021 | | |
|---|-----------------------|-----------------------|---------------------------------|-----------------------|-----------------------|---------------------------------|
| | Total segment revenue | Inter segment revenue | Revenue from external customers | Total segment revenue | Inter segment revenue | Revenue from external customers |
| Liner | 1,46,914 | - | 1,46,914 | 60,166 | - | 60,166 |
| Bulk | 1,15,299 | - | 1,15,299 | 52,646 | - | 52,646 |
| Tanker | 2,05,021 | - | 2,05,021 | 2,30,926 | - | 2,30,926 |
| T&OS | 32,690 | - | 32,690 | 26,494 | - | 26,494 |
| Others | 1,275 | - | 1,275 | 485 | - | 485 |
| Total Segment Revenue | 5,01,199 | - | 5,01,199 | 3,70,717 | - | 3,70,717 |
| Unallocated | 1,442 | - | 1,442 | 5,607 | - | 5,607 |
| Total segment revenue as per profit and loss | 5,02,641 | - | 5,02,641 | 3,76,324 | - | 3,76,324 |

Information about major customers

Revenue to specific customers exceeding 10% of total revenue for the year ended 31st March 2022 and 31st March 2021 were as follows:

| Revenue from external customers | 31 March, 2022 | | | 31 March 2021 | | |
|--------------------------------------|----------------|---------------|--------|----------------|---------------|--------|
| | Tanker segment | Liner Segment | Total | Tanker segment | Liner Segment | Total |
| Hindustan Petroleum Corporation Ltd. | 62,749 | - | 62,749 | 70,645 | - | 70,645 |
| Container Movement | - | 59,413 | 59,413 | - | 24,845 | 24,845 |

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:

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(All amounts in INR lakhs, unless otherwise stated)

| Revenue from external customers | 31 March, 2022 | 31 March 2021 |
|---------------------------------|-----------------|-----------------|
| India | 4,09,577 | 3,07,226 |
| Singapore | 48,074 | 27,063 |
| Other Countries | 43,548 | 36,428 |
| Total | 5,01,199 | 3,70,717 |

(e) Segment assets

| Segment | 31 March, 2022 | | 31 March 2021 | |
|--|------------------|--------------------------------|------------------|--------------------------------|
| | Segment assets | Addition to non-current assets | Segment assets | Addition to non-current assets |
| Liner | 47,680 | - | 51,204 | - |
| Bulk | 1,56,649 | - | 1,58,394 | - |
| Tanker | 5,56,647 | - | 5,47,999 | - |
| T & OS | 1,51,345 | - | 1,38,508 | - |
| Others | 1,549 | - | 861 | - |
| Total segment assets | 9,13,870 | - | 8,96,966 | - |
| Unallocated | 5,11,404 | - | 4,43,300 | - |
| Total assets as per the balance sheet | 14,25,274 | - | 13,40,266 | - |

(f) Segment liabilities

| | 31 March, 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Liner | 43,732 | 90,731 |
| Bulk | 61,072 | 55,573 |
| Tanker | 89,511 | 60,194 |
| T & OS | 58,608 | 53,892 |
| Others | 301 | 328 |
| Total segment liabilities | 2,53,224 | 2,60,718 |
| Unallocated | 2,62,364 | 2,62,796 |
| Total liabilities as per the balance sheet | 5,15,588 | 5,23,514 |

Note 33: Revenue from Contract with customers

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

| | 31 March, 2022 | 31 March 2021 |
|--------------------------------------|-----------------|-----------------|
| Revenue from Contract with Customers | 3,90,266 | 2,86,808 |
| Revenue from Other Sources | | |
| Charter hire (lease) | 1,11,388 | 84,550 |
| Other income | 8,244 | 11,527 |
| Total Revenue | 5,09,898 | 3,82,885 |

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segmentwise

| | 31 March, 2022 | 31 March 2021 |
|-------------|----------------|---------------|
| Liner | 1,46,914 | 58,754 |
| Bulk | 57,025 | 31,076 |
| Tanker | 1,69,131 | 1,81,520 |
| T&OS | 15,469 | 14,077 |
| Others | 1,275 | 485 |
| Unallocated | 452 | 895 |

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(All amounts in INR lakhs, unless otherwise stated)

| | 31 March, 2022 | 31 March 2021 |
|----------------------|-----------------|-----------------|
| Total Revenue | 3,90,266 | 2,86,808 |

(B) Revenue from Contract with Customers – Geographical Location

| | 31 March 2022 | | | |
|----------------------|-----------------|--------------|---------------|-----------------|
| | India | Singapore | Others | Total |
| Liner | 1,20,796 | 14 | 26,103 | 1,46,914 |
| Bulk | 57,110 | (1) | (84) | 57,025 |
| Tanker | 1,52,947 | 8,582 | 7,602 | 1,69,131 |
| T&OS | 15,456 | - | 13 | 15,469 |
| Others | 291 | - | 985 | 1,275 |
| Unallocated | 87 | - | 365 | 452 |
| Total Revenue | 3,46,687 | 8,595 | 34,984 | 3,90,266 |

| | 31 March 2021 | | | |
|----------------------|-----------------|---------------|---------------|-----------------|
| | India | Singapore | Others | Total |
| Liner | 47,468 | (57) | 11,343 | 58,754 |
| Bulk | 31,175 | (170) | 71 | 31,076 |
| Tanker | 1,53,107 | 10,562 | 17,851 | 1,81,520 |
| T&OS | 14,198 | (27) | (93) | 14,077 |
| Others | 485 | - | - | 485 |
| Unallocated | 906 | - | (15) | 891 |
| Total Revenue | 2,47,339 | 10,308 | 29,157 | 2,86,803 |

C) On the basis of Timing of Revenue Recognition:

| | 31 March 2022 | | |
|----------------------|------------------|--------------------|-----------------|
| | At Point in time | At Point over time | Total |
| Liner | 173 | 1,46,741 | 1,46,914 |
| Bulk | 4,580 | 52,445 | 57,025 |
| Tanker | 13,716 | 1,55,415 | 1,69,131 |
| T&OS | 15,290 | 179 | 15,469 |
| Others | 6 | 1,269 | 1,275 |
| Unallocated | 415 | 37 | 452 |
| Total Revenue | 34,180 | 3,56,086 | 3,90,266 |

| | 31 March 2021 | | |
|----------------------|------------------|--------------------|-----------------|
| | At Point in time | At Point over time | Total |
| Liner | 111 | 58,642 | 58,754 |
| Bulk | 828 | 30,248 | 31,076 |
| Tanker | 21,747 | 1,59,773 | 1,81,520 |
| T&OS | 13,707 | 371 | 14,078 |
| Others | 8 | 477 | 485 |
| Unallocated | 891 | 4 | 895 |
| Total Revenue | 37,292 | 2,49,515 | 2,86,808 |

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(All amounts in INR lakhs, unless otherwise stated)

Contract Asset

| | 31 March, 2022 | 31 March 2021 |
|--|----------------|---------------|
| Opening Balance of Contract Asset | 29,810 | 46,752 |
| Opening Balance reclassified as Trade Receivable in current period | 29,401 | 46,576 |
| Current year Contract Asset - Carried Forward | 45,630 | 29,634 |
| Closing Balance of Contract Asset | 46,039 | 29,810 |

Contract Liability

| | 31 March, 2022 | 31 March 2021 |
|---|----------------|---------------|
| Opening Balance of Contract Liability | 2,029 | 1,238 |
| Revenue Recognised from the opening balance of Contract Liability | 2,029 | 1,238 |
| Current year Contract liability - Carried Forward | 3,450 | 2,029 |
| Closing Balance of Contract Liability | 3,450 | 2,029 |

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.

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 5 & 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 2021-22 :

| Amounts recognised in profit and loss | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Depreciation cost on right-of-use assets | 283 | 302 |
| Interest expenses (included in finance costs) | 210 | 225 |
| Expenses relating to service elements of leases | - | - |
| Expenses relating to short-term leases | 138 | 6,007 |
| Expenses relating to variable lease payments | - | - |
| Expenses relating to leases of low-value assets | - | - |
| Total recognised in operating costs | 631 | 6,534 |

Total cash outflow impact for leases for the year 2021-22 was Rs 364 lakhs, of which Rs 212 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:

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Not later than 1 year | 375 | 1,853 |
| Later than 1 year and not later than 5 years | 1,428 | 1,370 |
| Later than 5 Years | 1,595 | 2,026 |

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 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:

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Not later than 1 year | 31,069 | 36,187 |
| Later than 1 year and not later than 5 years | 25,369 | 4,373 |
| 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.

Note 35: Assets pledged as security

| | Notes | 31 March, 2022 | 31 March 2021 |
|---|-------|-----------------|-----------------|
| Current | | | |
| Financial Assets | | | |
| Other bank balances | 7(g) | 2,687 | 5,271 |
| Total current assets pledged as security | | 2,687 | 5,271 |
| Non-current | | | |
| Financial Assets | | | |
| Non-current investments | 6(a) | 7,359 | 7,359 |
| Non Financial Assets | | | |
| Property, Plant and Equipment | 3 | 5,82,813 | 6,02,514 |
| Total non-current assets pledged as security | | 5,90,172 | 6,09,873 |
| Total assets pledged as security | | 5,92,859 | 6,15,144 |

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, 2022 and March 31, 2021. The column 'net amount' shows the impact on the Group's Balance Sheet if all set-off rights were exercised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| | 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, 2022 | | | | | | |
| Financial assets | | | | | | |
| i. Investments | 47,577 | - | 47,577 | - | - | 47,577 |
| ii. Trade receivables | 63,732 | - | 63,732 | - | - | 63,732 |
| iii. Cash and cash equivalents | 13,709 | - | 13,709 | - | - | 13,709 |
| iv. Bank balances other than (iii) above | 1,26,993 | - | 1,26,993 | - | 2,687 | 1,24,306 |
| v. Loans | 21,001 | - | 21,001 | - | - | 21,001 |
| vi. Other financial assets | 74,248 | - | 74,248 | - | - | 74,248 |
| Total | 3,47,260 | - | 3,47,260 | - | 2,687 | 3,44,573 |
| Financial liabilities | | | | | | |
| i. Borrowings | 3,17,738 | - | 3,17,738 | - | - | 3,17,738 |
| ii. Lease Liabilities | 2,299 | - | 2,299 | - | - | 2,299 |
| iii. Trade payables | | | - | | | |
| Micro, Small and Medium Enterprises | 3,714 | - | 3,714 | - | - | 3,714 |
| Others | 1,20,108 | - | 1,20,108 | - | - | 1,20,108 |
| iv. Other financial liabilities | 21,877 | - | 21,877 | - | - | 21,877 |
| Total | 4,65,736 | - | 4,65,736 | - | - | 4,65,736 |
| March 31, 2021 | | | | | | |
| Financial assets | | | | | | |
| i. Investments | 35,421 | - | 35,421 | - | - | 35,421 |
| ii. Trade receivables | 63,050 | - | 63,050 | - | - | 63,050 |
| iii. Cash and cash equivalents | 22,477 | - | 22,477 | - | - | 22,477 |
| iv. Bank balances other than (iii) above | 81,113 | - | 81,113 | - | 5,271 | 75,842 |
| v. Loans | 23,533 | - | 23,533 | - | - | 23,533 |
| vi. Other financial assets | 33,718 | - | 33,718 | - | - | 33,718 |
| Total | 2,59,311 | - | 2,59,311 | - | 5,271 | 2,54,041 |
| Financial liabilities | | | | | | |
| i. Borrowings | 3,65,438 | - | 3,65,438 | - | - | 3,65,438 |
| ii. Lease Liabilities | 2,462 | | 2,462 | | | 2,462 |
| iii. Trade payables | | | | | | |
| Micro, Small and Medium Enterprises | 4,194 | - | 4,194 | - | - | 4,194 |
| Others | 79,071 | - | 79,071 | - | - | 79,071 |
| iv. Other financial liabilities | 21,052 | - | 21,052 | - | - | 21,052 |
| Total | 4,72,217 | - | 4,72,217 | - | - | 4,72,217 |

Note 37: Fair value measurements

Financial instruments by category

| | 31 March 2022 | | | 31 March 2021 | | |
|---|---------------|----------|-----------------|---------------|----------|-----------------|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| - Equity instruments | 373 | - | - | 349 | - | - |
| - Mutual funds | - | - | - | - | - | - |
| Loans | - | - | 21,001 | - | - | 23,533 |
| Trade receivables | - | - | 63,732 | - | - | 63,050 |
| Cash and cash equivalents | - | - | 13,709 | - | - | 22,477 |
| Other bank balances | - | - | 1,26,993 | - | - | 81,113 |
| Bank deposits with more than 12 months maturity | - | - | 19,231 | - | - | - |
| Other financial assets | - | - | 55,017 | - | - | 33,718 |
| Total financial assets | 373 | - | 2,99,683 | 349 | - | 2,23,891 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 3,17,738 | - | - | 3,65,438 |
| Lease Liabilities | - | - | 2,299 | - | - | 2,462 |
| Trade payables | - | - | 1,23,822 | - | - | 83,265 |
| Current maturities of long term debt | - | - | - | - | - | - |
| Other financial liabilities | - | - | 21,877 | - | - | 21,052 |
| Total financial liabilities | - | - | 4,65,736 | - | - | 4,72,217 |

(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.

| Financial assets measured at fair value - recurring fair value measurements At 31 March 2022 | 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) | - | - | 373 | 373 |
| Total financial assets | | - | - | 373 | 373 |

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2022 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|----------|---------------|---------------|---------------|
| Financial assets | | | | | |
| <u>Loans to related parties</u> | 7(b) | - | - | 18,540 | 18,540 |
| Loans to others | 7(b) | - | - | 2,292 | 2,292 |
| Bank deposits | 7(c) | - | 19,231 | - | 19,231 |
| Total financial assets | | - | 19,231 | 20,832 | 40,063 |

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(All amounts in INR lakhs, unless otherwise stated)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2022 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|-----------------|------------|-----------------|
| Financial Liabilities | | | | | |
| Borrowings | 14(a) | - | 2,74,742 | - | 2,74,742 |
| Security deposits | 14(c) | - | - | 135 | 135 |
| Total financial liabilities | | - | 2,74,742 | 135 | 2,74,877 |

| Financial assets measured at fair value - recurring fair value measurements At 31 March 2021 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|---------|------------|------------|
| Financial assets | | | | | |
| Financial Investments at FVTPL | | | | | |
| Mutual funds - Growth plan | 7(d) | - | - | - | - |
| Mutual funds - Dividend plan | 7(d) | - | - | - | - |
| Unquoted equity instruments -Woodland Speciality Hospital Ltd | 7(a) | - | - | 349 | 349 |
| Total financial assets | | - | - | 349 | 349 |

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2021 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|-----------------|---------------|-----------------|
| Financial assets | | | | | |
| Investments | | | | | |
| Loans to related parties | 7(b) | - | - | 21,507 | 21,507 |
| Loans to others | 7(b) | - | - | 2,361 | 2,361 |
| Bank deposits | 7(c) | - | - | - | - |
| Total financial assets | | - | - | 23,868 | 23,868 |
| Financial Liabilities | | | | | |
| Borrowings | 14(a) | - | 3,23,173 | - | 3,23,173 |
| Security deposits | 14(c) | - | - | 33 | 33 |
| Total financial liabilities | | - | 3,23,173 | 33 | 3,23,206 |

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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 2022 and 31 March 2021:

| Particulars | Unlisted Equity Securities |
|---|----------------------------|
| As at 31 March 2020 | 362 |
| Gains(losses) recognised in Statement of profit or loss | (13) |
| As at 31 March 2021 | 349 |
| Gains(losses) recognised in Statement of profit or loss | 24 |
| As at 31 March 2022 | 373 |

| Particulars | Fair Value as at | | Significant unobservable inputs | Sensitivity | |
|--|------------------|---------------|---------------------------------|---|------|
| | 31 March 2022 | 31 March 2021 | | 2022 | 2021 |
| Valuation inputs and relationship to fair value - Investment in Equity Securities held for Demerger/sale (non recurring) | 7 | 7 | Net book values | Not applicable | |
| Valuation inputs and relationship to fair value - Unlisted Equity Securities (recurring)* | 373 | 349 | Net book values | increase (decrease) in the book value would result in increase (decrease) in fair value | |

* Net book value as on 31st March, 2022 is calculated based on latest available Financial Statements (i.e. 31st March 2021)

(iv) Valuation processes

The finance department of the Group includes a team that along with treasury function performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Director(finance). The main level 3 inputs used by the Group are derived and evaluated as follows:

· For unlisted equity securities, their fair values are estimated based on the book values of the investee companies.

(v) Fair value of financial assets and liabilities measured at amortised cost

| | 31 March 2022 | | 31 March 2021 | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Loans to related parties | 18,540 | 18,540 | 21,507 | 21,507 |
| Loans to employee | 2,292 | 2,292 | 2,361 | 2,361 |
| Bank deposits | 19,231 | 19,231 | - | - |
| Total financial assets | 40,063 | 40,063 | 23,868 | 23,868 |
| Financial Liabilities | | | | |
| Borrowings | 2,74,742 | 2,74,742 | 2,66,378 | 2,66,378 |
| Security deposits | 135 | 135 | 33 | 33 |
| Total financial liabilities | 2,74,877 | 2,74,877 | 2,66,411 | 2,66,411 |

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

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, 2022 | 31 March 2021 |
|---|----------------|---------------|
| Gross carrying amount of trade receivables | 88,393 | 85,712 |
| Less : Expected credit losses | 9,298 | 9,649 |
| Less : Provision made separately for bankrupt/terminated agents | 3,702 | 2,629 |
| Less : Other Provision(i.e. Off Hire, Demurrage, others) | 11,661 | 10,384 |
| Carrying amount of trade receivables (net of impairment) | 63,732 | 63,050 |

(iv) Reconciliation of loss allowance provision (ECL)- Trade receivables :

| Particulars | Amount |
|--|--------------|
| Loss allowance on 31st March 2020 | 8,469 |
| Changes in loss allowance | 1,180 |
| Loss allowance on 31st March 2021 | 9,649 |
| Changes in loss allowance | (351) |
| Loss allowance on 31st March 2022 | 9,298 |

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Contractual maturities of financial liabilities 31 March 2022 | Less than 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|------------------|-----------------------|-------------------|-----------------|
| Borrowings | 1,09,055 | 2,12,216 | 12,130 | 3,33,401 |
| Trade payables | 1,23,822 | - | - | 1,23,822 |
| Lease Liabilities | 375 | 1,428 | 1,595 | 3,398 |
| Security and other deposits | 866 | 135 | - | 1,001 |
| Others financial liabilities | 20,876 | - | - | 20,876 |
| Total liabilities | 2,54,994 | 2,13,779 | 13,725 | 4,82,498 |

| Contractual maturities of financial liabilities 31 March 2021 | Less than 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|------------------|-----------------------|-------------------|-----------------|
| Borrowings | 1,05,126 | 2,47,168 | 31,674 | 3,83,967 |
| Trade payables | 83,265 | - | - | 83,265 |
| Lease Liabilities | 1,853 | 1,370 | 2,026 | 5,249 |
| Security and other deposits | 1,068 | 33 | - | 1,101 |
| Others financial liabilities | 19,951 | - | - | 19,951 |
| Total liabilities | 2,11,263 | 2,48,571 | 33,700 | 4,93,533 |

(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 Company operates, exposure to foreign exchange rate risk is largely managed by collection of income in foreign currencies in bank accounts abroad.

(a) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

| | 31 March 2022 | | | 31 March 2021 | | |
|---|---------------|--------------|--------------|---------------|--------------|--------------|
| | USD | EUR | Others | USD | EUR | Others |
| Financial assets | | | | | | |
| Non Current Loans & Advances | 18,540 | - | - | 21,507 | - | - |
| Non Current Other Assets | 397 | - | - | - | - | - |
| Current assets | 6,636 | - | 48 | 3,472 | - | 47 |
| Current Loans & Advances | - | - | - | 592 | - | - |
| Cash and cash equivalents | 1,486 | 3,417 | 1,295 | 332 | 1,838 | 2,161 |
| Other Bank Balances | - | - | - | - | - | - |
| Trade Receivables | 22,788 | 5,159 | 8,099 | 18,159 | 6,229 | 6,437 |
| Exposure to foreign currency risk (assets) | 49,847 | 8,576 | 9,442 | 44,062 | 8,067 | 8,645 |
| Financial liabilities | | | | | | |
| Long Term (Non-Current) Borrowings | 2,14,619 | - | - | 2,66,378 | - | - |
| Other current Liabilities | 1,798 | 48 | 93 | 5,561 | 77 | 377 |
| Short Term Borrowings | 1,03,119 | - | - | 99,060 | - | - |

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(All amounts in INR lakhs, unless otherwise stated)

| | 31 March 2022 | | | 31 March 2021 | | |
|---|-----------------|--------------|--------------|-----------------|--------------|--------------|
| | USD | EUR | Others | USD | EUR | Others |
| Trade Payables | 51,141 | 5,895 | 6,690 | 16,939 | 6,721 | 7,472 |
| Exposure to foreign currency risk (liabilities) | 3,70,677 | 5,943 | 6,783 | 3,87,938 | 6,798 | 7,849 |
| Liabilities directly associated with assets classified as held for sale | - | - | - | 21,788 | - | - |
| Total exposure to foreign currency risk (liabilities) | 3,70,677 | 5,943 | 6,783 | 4,09,726 | 6,798 | 7,849 |

(b) Sensitivity

The following table details the Group's sensitivity to a 3% increase/ decrease in INR as against USD and 4% increase / decrease in INR as against EUR. The sensitivity analysis includes only foreign currency denominated monetary items.

| | Impact on profit after tax | |
|---|----------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| USD sensitivity | | |
| INR/USD -Increase by 3% (31 March 2021- 3%) | (9,625) | (10,970) |
| INR/USD -Decrease by 3% (31 March 2021- 3%) | 9,625 | 10,970 |
| EUR sensitivity | | |
| INR/EUR -Increase by 4% (31 March 2021- 3%) | 105 | 38 |
| INR/EUR -Decrease by 4% (31 March 2021- 3%) | (105) | (38) |

(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 Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Variable rate borrowings | 3,18,365 | 3,66,208 |
| Total borrowings at variable rate | 3,18,365 | 3,66,208 |

(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.

| | Impact on profit after tax | |
|---|----------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Interest rates – increase by 100 basis points (100 bps) | (3,184) | (3,662) |
| Interest rates – decrease by 100 basis points (100 bps) | 3,184 | 3,662 |

(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. Informatively, as per GST return filed during FY 2021-22, Export Revenue of the group is Rs. 151,814 lakhs (previous year Rs. 100,091 lakhs).

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 total debt divided by total equity.

| | 31 March 2022 | 31 March 2021 |
|---------------------------------|---------------|---------------|
| Total Debt | 3,17,738 | 3,65,438 |
| Total Equity | 9,09,686 | 8,16,753 |
| Net debt to equity ratio | 0.35 | 0.45 |

(b) Loan covenants

The company has 2 ECB Loan Agreements with two banks and both banks are having financial covenant of Debt Service Coverage Ratio (DSCR). The Corporation is comfortably meeting all the financial loan covenants for both the banks for the Financial Year 2021-22.

Note 40

As per the guidelines dated 27.5.2016 issued by Department of Investment and Public Asset Management (DIPAM), MOF, GOI in respect of dividend, bonus shares, etc. the Company has an obligation to comply with these guidelines. However, the company shall take in to consideration and be guided by the provisions of the Companies Act 2013, Companies (Declaration and Payment of Dividend) Rules, 2014 and Guidance Note on Dividend & Secretarial Standard 3 (SS3) for taking necessary action appropriate and deemed fit in the circumstances.

Note 41

The matter of payment of Performance Related Pay (PRP) of Rs.1,103 lakhs vis-à-vis DPE guidelines w.r.t. computation of profits from core activities and non-observance of "Bell Curve" is continued since the FY 2014-15. The ATNs furnished by the Ministry of Ports, Shipping and Waterways (MoPSW) are yet to be examined by Committee of Public Undertakings. The Company is pursuing the matter with the aforesaid Ministry and awaiting their further instructions for resolution and final decision in the matter to take appropriate action.

Note 42

The USD Libor would be replaced by Secured Overnight Financing Rate (SOFR) for the foreign currency loans of the Corporation. The SOFR rate is below the Libor rate. The Banks would be adding "Credit Adjustment Factor" (CAF) for the loans while changing the benchmark rate. Hence, in the scenario of other business parameters unchanged, it is expected that the lenders would adjust the CAF to the extent of difference of Libor and SOFR and thus the impact of finance cost would remain unchanged.

Note 43

The impact of current wave of the COVID-19 continued in FY 2021-22. The pandemic effect on the crude oil demand and its associated market dynamics continued to have an adverse impact on the Tanker market earnings. However, Liner freight indices witnessed significant improvement in charter rates. Even with relaxed travel restrictions, crew change continued to be a challenging aspect during the first half of the financial year. However, during last quarter no Covid 19 impact was felt. The Company has assessed the current scenario basis internal and external information available and believes that there is no impact on its ability to continue operations and meet its financial commitments.

Note 44

(a) The proposed strategic disinvestment of SCI is being handled by Department of Investment and Public Asset Management (DIPAM) with the engagement of necessary advisors. In this regard Preliminary Information Memorandum (PIM) for inviting expression of interest was released on 22nd December, 2020. The Virtual Data Room is open and is being managed by the Transaction Advisor for the process of due diligence by the Qualified Interested Parties.

(b) The Demerger Scheme ("the Scheme") for hiving off the identified non-core assets has been approved by the SCI Board on 03.08.2021. Pursuant to instructions of Ministry of Ports, Shipping and Waterways (MoPSW), the Company has incorporated a 100 % subsidiary viz. Shipping Corporation of India Land and Assets Limited (SCILAL) for the demerger of Non-Core assets on 10.11.2021 in terms of the Scheme. The Board of SCILAL has approved the Scheme on 16.11.2021. The Scheme has been approved by the stock exchange vide approval dated 02.03.2022.

Subsequent to the approval of Scheme by the Boards of SCI as well as SCILAL, assets and liabilities to be transferred to SCILAL have been categorised as Non-Core Assets / Liabilities Held for Demerger and consequential impact has been given in Profit and Loss account w.r.t reversal of amortisation of deferred tax liability, depreciation and foreign exchange loss.

Post approval of the Scheme by MCA, the assets and liabilities pertaining to the said non-core assets will be transferred to SCILAL basis the appointed date mentioned in the Scheme as per the book value as on 31.03.2021 and from 16.11.2021, income and expenses related to Non-Core assets as per the Scheme will be accordingly transferred to SCILAL.

MoPSW vide their letter dated 22.04.2022 has directed SCI to expedite the process of de-merger of non-core assets of SCI to SCILAL and also requested the Board of SCI to review the demerger scheme for demerger the non-core assets of SCI to SCILAL including Shipping

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

House, Mumbai and MTI, Powai to complete the process of de-merging all the non-core assets to the new company SCILAL on immediate basis prior to the completion of Share Purchase Agreement and suggested certain modification in the Scheme. Such modifications do not have any impact on carrying value of non core assets in the financial statements. The implementation of the Scheme including the modified scheme is in process and considering the reiteration by MoPSW and DIPAM to expedite the demerger process, there is a certainty of completion of the process in the near future, and accordingly, the relevant disclosures with continued accounting effects have been considered in the financial statements.

Note 45

The Company has the practice of seeking confirmations of balances from all the parties in respect of the Trade Receivables, Trade Payables and Deposits. . During the year, the Company has sent letters to all such parties seeking confirmations of balances. There are fewer responses to the confirmation requests. The company is in the process of following up with the parties for the purpose of recovery / payment of dues. In case of Trade Receivables, 52% of the Total Trade receivables pertains to Government and public Sector Undertaking customers. While the reconciliation is an on-going process, the management does not expect any material difference affecting the financial results due to the same.

Note 46

The Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13th November 2020 and has invited suggestion from stakeholders. The Central Government on 30th March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the same once the Code becomes effective.

Note 47

The Board of Directors recommended a dividend of Rs 0.33/- per equity share of face value of Rs. 10/- each. The outgo on this account will be approximately Rs. 1,551 Lakhs, subject to the approval of members at the ensuing Annual General Meeting.

Note 48

On March 24, 2021, The Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendment has revised Division I, II, and III of Schedule III and are applicable from April 1, 2021. The Company has implemented the same.

Note 49

The company has paid Rs. 100 lakhs to its subsidiary Inland & Coastal Shipping Ltd. (ICSL) towards share application money against the rights issue of the subsidiary during FY 2020-21. The shares has been allotted during FY 2021-22.

Note 50

The Company is undertaking a review of all open charges as per MCA records and taking necessary action for filing of satisfaction of charges for which liability has already been discharged.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 51

(a) Title deeds of Immovable Property not held in the name of the Company as at 31 March 2022

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|--|
| Ownership Flats & Residential Buildings held for Demerger | GONDAVALI APTS (10 Flats) | 18.79 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Transfer of title deeds to SCI's name not done. |
| | CHITRAKOOT APTS (2 Flats) | 4.57 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1969 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | KAVITA APTS (1 Flat) | 2.62 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Transfer of title deeds to SCI's name not done. |
| | LANDS END APTS (1 Flat) | 2.76 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | AJANTA APTS (1 Flat) | 2.35 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1985 | Society has been requested to issue a duplicate share certificate. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | RAJHANS APTS (1 Flat) | 1.47 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1966 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | SOMMERSET HOUSE (1 Flat) | 4.20 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|---|
| | ANITA APTS (1 Garage) | 0.12 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1972 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | ASHARYA APTS (1 Garage) | 0.16 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1965 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | SATNAM APTS (1 Garage) | 0.1 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1975 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |
| | VIJAY APTS (3 Garage) | 0.7 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1968 | Registered sale Agreement is not traceable. SCI empanelled advocate Mr. Satya Prakash is being appointed to retrieve the same from Joint District registrar Class I and Records Office. |

(Note: in respect of above 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.

b) Title deeds of Immovable Property not held in the name of the Company as at 31 March 2021

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|---|
| Ownership Flats & Residential Buildings held for Demerger | GONDAVALI APTS (10 Flats) | 18.79 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | CHITRAKOOT APTS (2 Flats) | 4.57 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1969 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | KAVITA APTS (1 Flat) | 2.62 | SCI's predecessor Mogul Lines | No | 01.04.1985 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | LANDS END APTS (1 Flat) | 2.76 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | AJANTA APTS (1 Flat) | 2.35 | Both Share certificate and Registered sale agreement are not traceble. | No | 01.04.1985 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |
| | RAJHANS APTS (1 Flat) | 1.47 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1966 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | SOMMERSET HOUSE (1 Flat) | 4.20 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1972 | Share certificates are available. Efforts are being made to trace sale agreements from society |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|---|
| | ANITA APTS (1 Garage) | 0.12 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1972 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |
| | ASHARYA APTS (1 Garage) | 0.16 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1965 | Share certificates are available. Efforts are being made to trace sale agreements from society |
| | SATNAM APTS (1 Garage) | 0.1 | Both Share certificate and Registered sale agreement are not traceable. | No | 01.04.1975 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |
| | VIJAY APTS (3 Garage) | 0.7 | Only Share certificate is available and the same is held in name of SCI. | No | 01.04.1968 | Share certificates are not available. Efforts are being made to trace sale agreements and share certificates from society |

Note: in respect of above 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

(c) There were no Benami properties held by the group during FY 2021-22 & FY 2020-21 and no proceedings had been initiated against the group under Benami Transactions (Prohibition) Act, 1988(45 of 1988).

Note 52 :Relation with Struck Off Company

| Name of Struck Off Company | Nature of Transactions | Transactions during the year | Balance Outstanding at the end of the year as at 31 March 2022 | Relationship with the Struck Off Company |
|------------------------------------|------------------------|------------------------------|--|--|
| SAIL SCI Shipping Company Pvt.Ltd. | Investment in Shares | - | 10 | Joint Venture |

| Name of Struck Off Company | Nature of Transactions | Transactions during the year | Balance Outstanding at the end of the year as at 31 March 2021 | Relationship with the Struck Off Company |
|------------------------------------|------------------------|------------------------------|--|--|
| SAIL SCI Shipping Company Pvt.Ltd. | Investment in Shares | - | 10 | Joint Venture |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

Note 53 : Analytical Ratios

| SR NO. | Ratio | Numerator | Denominator | UNITS | As at 31 | | Variance |
|--|---|--|------------------------------|------------|------------|------------|----------|
| | | | | | March 2022 | March 2021 | |
| | Ratio | | | | Ratio | Ratio | |
| 1) | Current Ratio (Current Assets/Current Liabilities) | Current Assets | Current Liabilities | Times | 1.83 | 0.95 | 92.63 |
| Reason For Variance :- The ratio is increased mainly due to transfer of non core assets to held for demerger as per demerger scheme. | | | | | | | |
| 2) | Debt-Equity Ratio (Total Debt/Shareholder's Equity) | Total Debt | Shareholder's Equity | Times | 0.35 | 0.45 | (22.22) |
| Reason For Variance :- | | | | | | | |
| 3) | Debt Service Coverage Ratio (Earnings available for debt service/Debt Service) | Earnings available for debt service | Debt Service | Times | 2.59 | 1.27 | 103.94 |
| Reason For Variance :- The ratio has improved mainly due to increase in the earnings. | | | | | | | |
| 4) | Return on Equity (ROE) (Net Profits after taxes - Preference Dividend/Average Shareholder's Equity) | Net Profits after taxes less Preference Dividend | Average Shareholder's Equity | Percentage | 10.02 | 8.90 | 12.58 |
| Reason For Variance :- | | | | | | | |
| 5) | Inventory Turnover Ratio (Cost of goods sold or sales/Average Inventory) | Cost of goods sold or sales | Average Inventory | Times | 7.39 | 6.51 | 13.52 |
| Reason For Variance :- | | | | | | | |
| 6) | Trade receivables turnover ratio (Net Credit Sales/Avg. Accounts Receivable) | Net Credit Sales | Avg. Accounts Receivable | Times | 7.88 | 5.99 | 31.55 |
| Reason For Variance :- The ratio has improved due to timely collection of Trade Receivables. | | | | | | | |
| 7) | Trade payables turnover ratio (Net Credit Purchases/Average Trade Payables) | Net Credit Purchases | Average Trade Payables | Times | 2.80 | 2.24 | 25.00 |
| Reason For Variance :- The ratio has decreased mainly due to increase in Trade payables. | | | | | | | |
| 8) | Net capital turnover ratio (Net Sales/Working Capital) | Net Sales | Working Capital | Times | 2.06 | (29.15) | (107.07) |
| Reason For Variance :- The ratio is increased mainly due to transfer of non core assets to held for demerger as per demerger scheme. | | | | | | | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| SR NO. | Ratio | Numerator | Denominator | UNITS | As at 31 | | Variance |
|--|--|--|--|------------|------------|------------|----------|
| | | | | | March 2022 | March 2021 | |
| | | | | | Ratio | Ratio | |
| 9) | Net profit ratio (Net Profit/Net Sales) | Net Profit | Net Sales | Percentage | 17.32 | 18.80 | (7.87) |
| Reason For Variance :- | | | | | | | |
| 10) | Return on capital employed (ROCE) Earning before interest and taxes/Capital Employed | Earning before interest and taxes | Capital Employed | Percentage | 8.65 | 6.18 | 39.97 |
| Reason For Variance :- The ratio is Improved mainly due to increase in the earnings. | | | | | | | |
| 11) | Return on investment - Mutual Funds $\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\text{Sum } [W(t) * C(t)]} +$ | $\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$ | $\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$ | Percentage | 3.43 | 3.40 | 0.88 |
| Reason For Variance :- | | | | | | | |
| | Return on investment - Shares (Majority investment are in Joint Ventures) $\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\text{Sum } [W(t) * C(t)]} +$ | $\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$ | $\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$ | Percentage | 35.10 | 28.31 | 23.98 |
| Reason For Variance :- | | | | | | | |

Note 54: 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 31.03.22) |
|--|--------------------|-------------------------|--------------------------|---|
| 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%) |
| 6. Shipping Corporation Of India Land and Assets Limited | Subsidiary | Equity | India | 100.00% (100%) |

The following joint ventures have not been considered for the purpose of consolidation :-

| Name | Nature of Interest | Description of Interest | Country of Incorporation | Percentage of Interest (As on 31.03.22) |
|--|--------------------|-------------------------|--------------------------|---|
| 1. Irano Hind Shipping Company Limited | Joint venture | Equity | Iran | 49% |
| 2. SAIL SCI Shipping Pvt. Limited | Joint venture | Equity | India | 50% |

The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for dissolution of Irano Hind Shipping Company (IHSC) and splitting the assets/liabilities of IHSC between Joint Venture partners shall be undertaken. IHSC is a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). Substantive efforts are made to eventually dissolve the JV which is depending on geo political environment and sanctions imposed by UN which is completely beyond SCI's control. SCI shall remain committed by the decision of cabinet and therefore is making all efforts for dissolution of JV. Further, Government of India vide letter dated 08th May 2018 has advised SCI to go ahead with the dissolution of IHSC. Therefore IHSC has been excluded from the consolidation

SAIL SCI Shipping Pvt Ltd. has been excluded from the consolidation procedures as the joint venture is held for disposal. Investment is considered as Non Core Asset as per demerger scheme, hence classified under "Assets Held for Demerger"

Note 55: Interest in Other Entities

(a) Information about subsidiaries

The Group has the following investments in subsidiaries:

| SN | Name of the subsidiary | Principal place of business | Principal activities | Proportion (%) of ownership | |
|----|---|-----------------------------|--|-----------------------------|----------------|
| | | | | 31 March, 2022 | 31 March, 2021 |
| 1 | Inland & Coastal Shipping Limited | India | Inland Waterways | 100% | 100% |
| 2 | Shipping Corporation Of India Land and Assets Limited | India | Holding and Disposing the Non Core assets of SCI | 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 2022 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.

| SN | Name of the subsidiary | Principal place of business | Principal activities | Proportion (%) of ownership | | Carrying Value | |
|----|--|-----------------------------|----------------------|-----------------------------|----------------|----------------|----------------|
| | | | | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 |
| 1 | India LNG Transport Co. (No. 1) Ltd. | Malta | LNG Carriers | 29.08% | 29.08% | 17,596 | 13,919 |
| 2 | India LNG Transport Co. (No. 2) Ltd. | Malta | LNG Carriers | 29.08% | 29.08% | 18,289 | 14,319 |
| 3 | India LNG Transport Co. (No. 3) Ltd. | Malta | LNG Carriers | 26.00% | 26.00% | 1,593 | - |
| 4 | India LNG Transport Co. (No. 4) Pvt Ltd. | Singapore | LNG Carriers | 26.00% | 26.00% | 9,726 | 6,834 |
| 5 | Irano Hind Shipping Co. Ltd. | Iran | Shipping | 49.00% | 49.00% | - | - |
| 6 | Sail SCI Shipping Pvt. Ltd | India | Shipping | 50.00% | 50.00% | 7 | 7 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(ii) Summarised financial information for associates and joint ventures

The table below provide summarised financial statements for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not SCI's share of those amounts.

| Summarised Balance Sheet | ILT 1 | | ILT 2 | | ILT 3 | | ILT 4 | |
|--|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 |
| Current Assets | | | | | | | | |
| Cash and Cash Equivalents | 16,631 | 16,934 | 19,561 | 14,475 | 17,573 | 12,519 | 11,092 | 11,517 |
| Other Assets | 4,845 | 8,977 | 2,808 | 5,402 | 7,209 | 3,324 | 2,443 | 2,389 |
| Total Current Assets | 21,476 | 25,911 | 22,369 | 19,877 | 24,782 | 15,843 | 13,535 | 13,906 |
| Total Non - Current Assets | 80,249 | 79,353 | 82,613 | 85,000 | 1,29,460 | 1,30,555 | 1,42,792 | 1,41,283 |
| Current Liabilities | | | | | | | | |
| Financial Liabilities (excl. trade payables) | 6,806 | 11,945 | 7,198 | 11,981 | 76,028 | 1,46,883 | 4,923 | 4,461 |
| Other Liabilities | 2,021 | 5,753 | 629 | 1,656 | 2,586 | 3,851 | 3,033 | 3,207 |
| Total Current Liabilities | 8,827 | 17,698 | 7,827 | 13,637 | 78,614 | 1,50,734 | 7,956 | 7,668 |
| Non- Current Liabilities | | | | | | | | |
| Financial Liabilities (excl. trade payables) | 32,397 | 38,012 | 34,263 | 40,203 | 69,050 | - | 1,05,975 | 1,07,530 |
| Other Liabilities | - | 1,698 | - | 1,796 | 450 | - | 4,989 | 13,709 |
| Total Non Current Liabilities | 32,397 | 39,710 | 34,263 | 41,999 | 69,500 | - | 1,10,964 | 1,21,239 |
| NET ASSETS | 60,501 | 47,856 | 62,892 | 49,241 | 6,128 | (4,336) | 37,407 | 26,282 |

| Particulars | Accumulated as on 31.03.2022 | | For Year Ended 31.03.2022 | | Accumulated as on 31.03.2021 | | For Year Ended 31.03.2021 | |
|--|------------------------------|-----|---------------------------|-----|------------------------------|-----|---------------------------|-----|
| | 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. | - | - | - | - | - | - | - | - |
| 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 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 |
| Opening Net assets | 47,856 | 40,042 | 49,241 | 39,688 | (4,336) | (13,680) | 26,282 | 24,179 |
| Profit for the year | 8,493 | 7,537 | 9,297 | 9,206 | 5,441 | 5,562 | 2,093 | 5,803 |
| Other Comprehensive Income | 4,152 | 277 | 4,355 | 347 | 5,023 | 3,781 | 9,032 | (3,700) |
| Share capital issued during the year | | | | | | | | - |
| Closing Net Assets | 60,501 | 47,856 | 62,892 | 49,241 | 6,128 | (4,336) | 37,407 | 26,282 |
| Groups share in % | 29.08% | 29.08% | 29.08% | 29.08% | 26.00% | 26.00% | 26.00% | 26.00% |
| Groups share in INR | 17,596 | 13,919 | 18,289 | 14,319 | 1,593 | (1,127) | 9,726 | 6,834 |
| Carrying Amount* | 17,596 | 13,919 | 18,289 | 14,319 | 1,593 | - | 9,726 | 6,834 |

* As per IND AS 28 losses are recognized to the extent of investment made.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

(v) Summarised statement of profit and loss

| Particulars | ILT 1 | | ILT 2 | | ILT 3 | | ILT 4 | |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 | 31 March, 2022 | 31 March, 2021 |
| Revenue | 18,693 | 18,604 | 19,676 | 19,803 | 20,792 | 20,911 | 18,383 | 21,211 |
| Other Income | 1 | 246 | 0 | 0 | 420 | 1795 | 0 | 0 |
| Depreciation and Amortisation | 4,548 | 4,855 | 4,948 | 4,926 | 5,097 | 5,095 | 9,368 | 8,095 |
| Interest Expense | 2,018 | 2,477 | 2,111 | 2,580 | 6,232 | 7,982 | 6,829 | 7,083 |
| Income tax expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Expense | 3,635 | 3,981 | 3,320 | 3,091 | 4,442 | 4,066 | 93 | 230 |
| Profit for the year | 8,493 | 7,537 | 9,297 | 9,206 | 5,441 | 5,562 | 2,093 | 5,803 |
| Other Comprehensive Income | 4,152 | 277 | 4,355 | 347 | 5,023 | 3,781 | 9,032 | (3,700) |
| Total Comprehensive Income | 12,645 | 7,814 | 13,651 | 9,553 | 10,464 | 9,344 | 11,125 | 2,104 |

Note 56: 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 (Rs. in lacs) | As % of consolidated profit/loss | Amount (Rs. in lacs) | As % of consolidated other comprehensive income | Amount (Rs. in lacs) | As % of consolidated total comprehensive income | Amount (Rs. in lacs) |
| Parent | | | | | | | | |
| The Shipping Corporation of India Ltd. | | | | | | | | |
| 31st March 2022 | 95% | 8,62,501 | 92% | 79,479 | 19% | 1,447 | 86% | 80,926 |
| 31st March 2021 | 95% | 7,82,738 | 89% | 61,810 | 91% | 2,068 | 89% | 63,878 |
| Subsidiary | | | | | | | | |
| Indian Subsidiary | | | | | | | | |
| 1. Inland and Coastal Shipping Limited | | | | | | | | |
| 31st March 2022 | 0% | (19) | 0% | (89) | 0% | - | | (89) |
| 31st March 2021 | 0% | 70 | 0% | (25) | 0% | - | | (25) |
| 2. Shipping Corporation of India Land and Assets Limited | | | | | | | | |
| 31st March 2022 | 0% | - | 0% | - | 0% | - | | - |
| 31st March 2021 | 0% | - | 0% | - | 0% | - | | - |
| Foreign Subsidiary - NIL | | | | | | | | |
| Non Controlling Interest in all subsidiaries | | | | | | | | |
| Joint Ventures | | | | | | | | |
| (Investment as per equity method) | | | | | | | | |
| Indian Joint Ventures - NIL | | | | | | | | |
| Foreign Joint Ventures | | | | | | | | |
| 1. India LNG Transport Co. (No. 1) Ltd. | | | | | | | | |
| 31st March 2022 | 2% | 17,596 | 3% | 2,470 | 16% | 1,207 | 4% | 3,677 |
| 31st March 2021 | 2% | 13,919 | 3% | 2,192 | 4% | 81 | 3% | 2,272 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

| 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 (Rs. in lacs) | As % of consolidated profit/loss | Amount (Rs. in lacs) | As % of consolidated other comprehensive income | Amount (Rs. in lacs) | As % of consolidated total comprehensive income | Amount (Rs. in lacs) |
| 2. India LNG Transport Co. (No. 2) Ltd. | | | | | | | | |
| 31st March 2022 | 2% | 18,289 | 3% | 2,703 | 17% | 1,266 | 4% | 3,970 |
| 31st March 2021 | 2% | 14,319 | 4% | 2,677 | 4% | 101 | 4% | 2,778 |
| 3. India LNG Transport Co. (No. 3) Ltd. | | | | | | | | |
| 31st March 2022 | 0% | 1,593 | 1% | 1,415 | 17% | 1,306 | 3% | 2,721 |
| 31st March 2021 | 0% | (1,127) | 2% | 1,446 | 43% | 983 | 3% | 2,429 |
| 4. India LNG Transport Co. (No. 4) Pvt. Ltd. | | | | | | | | |
| 31st March 2022 | 1% | 9,726 | 1% | 544 | 31% | 2,349 | 3% | 2,893 |
| 31st March 2021 | 1% | 6,834 | 2% | 1,509 | (42%) | (962) | 1% | 547 |
| TOTAL | | | | | | | | |
| 31st March 2022 | 100% | 9,09,686 | 100% | 86,522 | 100% | 7,575 | 100% | 94,098 |
| 31st March 2021 | 100% | 8,16,753 | 100% | 69,609 | 100% | 2,271 | 100% | 71,880 |

Note 57

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 57 of Consolidated Financial Statements

As per our report of even date attached hereto.

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

For Chokshi & Chokshi LLP,
Chartered Accountants
FR. No. 101872W/W100045

For and on behalf of the Board of Directors,

Mrs. Swapnita Vikas Yadav
Company Secretary

Mr. L. C. Serrao
Chief Financial Officer

CA G. Sankar
Partner
Membership No. 046050

CA Kiran Bhoir
Partner
Membership No. 159960

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

Mumbai, Dated the 6th May, 2022

Mumbai, Dated the 6th May, 2022

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 In

The total price to move cargo from origin to destination, inclusive of all charges.

Alongside

A phrase referring to the side of a ship. Goods delivered "alongside" are to be placed on the dock or barge within reach of the transport ship's tackle so that they can be loaded.

All Risk

All Risks Coverage, a type of marine insurance, is the broadest kind of standard coverage, but excludes damage caused by war, strikes, and riots.

Allotment

A term used to describe blocked space by airlines on behalf of forwarders/shippers.

Assignment

A term commonly used in connection with a bill of lading. It involves the transfer of rights, title and interest in order to assign goods by endorsing the bill of lading.

Astern

Behind a vessel— Move in a reverse direction.

ATDNSHINC

Any time Day or Night Sundays & Holidays Included. A chartering term referring to when a vessel will work.

Athwartships

A direction across the width of a vessel.

Automated Identification System (AIS)

It is a system used by ships and Vessel Traffic Service (VTS) principally for the identification and the locating of vessels. AIS provides a means for ships to electronically exchange ship data including: identification, position, course, and speed, with other nearby ships and VTS stations.

BAF (Bunker Adjustment Factor)

An adjustment in shipping charges to offset price fluctuations in the cost of bunker fuel.

Bill of Lading (B/L)

Bills of lading are contracts between the owner of the goods and the carrier. There are two types. A straight bill of lading is non-negotiable. 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.

GLOSSARY

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.

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.

Capsize 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 1958. The Merchant Shipping Act is the legislation in India for maritime development and effective enforcement of standards. The Directorate General of Shipping as the executive arm fully administers this legislation.

Dimensional Weight

Also called measurement weight. This is the size of consignment calculated by total square feet by 6000. Carrier charge for freight based on the dimensional weight or actual gross weight whichever is higher.

Direct Ship

Ship without consolidation and under one MAWB ie non-consolidation.

D.O.E : Direct Operating Expenses:

Direct Operating Expenses are voyage related expenses. Whenever a vessel

undertakes a voyage, steaming from one port to another port, expenses incurred such as Bunker (fuel), Port Dues, Fresh water, stevedoring Charges, Agency fees and other voyage related expenses are called Direct Operating Expenses.

G.O.P. (Gross Operating Profit)

G.O.P. = Earnings/(Freight) – D.O.E

N.O.P. (Net Operating Profit) = G.O.P. – I.O.E.

ETA

Estimated Time of Arrival. It normally takes 3 hours for carriers to Break Bulk then ready to be picked up by forwarders along with customs release notification.

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 ocean borne 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 labelling.

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.

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

GLOSSARY

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. 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

LNG (Liquefied Natural Gas)

Natural gas will liquefy at a temperature of approximately -259 F or -160 C at atmospheric pressure. One cubic foot of liquefied gas will expand to approximately 600 cubic feet of gas at atmospheric pressure.

LNGC

(LNG Carrier) An ocean-going ship specially constructed to carry LNG in tanks at -160 C. Current average carrying capacity of LNGCs 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 room 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.

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 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. i.e. over-height, or oversize cargo which requires special equipment and handle.

PSV

A Platform supply vessel (often abbreviated as PSV) is a ship specially designed to supply offshore oil platforms. These ships range from 20 to 100 meters in length and accomplish a variety of tasks. The primary function for most of these vessels is transportation of goods and personnel to and from offshore oil platforms and other offshore structures

Roll-on, Roll-off (RORO)

A type of ship designed to load and discharge cargo which rolls on wheels or tracks.

Shipping Mark

The letters, numbers or other symbols placed on the outside of cargo to facilitate identification.

Shipping Weight

Shipping weight represents the gross weight in kilograms of shipments, including the weight of moisture content, wrappings, crates, boxes, and containers (other than cargo vans and similar substantial outer containers).

Starboard

The right side of a ship when facing the bow.

Stern

The end of a vessel. Opposite of bow.

Stevedore

Individual or firm that employs longshoremen and who contracts to load or unload the ship.

Suezmax Tanker

Suezmax is a naval architecture term for the largest ship measurements capable of transiting the Suez canal in a laden condition, and is almost exclusively used in reference to tankers. Since the canal has no locks, the only serious limiting factors are draft (maximum depth below waterline) and height due to the Suez Canal Bridge. The current channel depth of the canal allows for a maximum of 20.1 m (66 ft) of draft. The typical deadweight of a Suezmax ship is about 160,000 tons.

Supramax

Bulk carriers with a capacity between 50,000 and 60,000 dwt. These ‘bulkers’ are well suited for small ports with length and draught restrictions, or ports lacking transshipment infrastructure.

Tare Weight

The weight of a ULD and tie down materials without the weight of the goods it contains.

Through Bill of Lading

A single bill of lading covering receipt of the cargo at the point of origin for delivery to the ultimate consignee, using two or more modes of transportation.

Time Charter (TC)

A time charter is the hiring of a vessel for a specific period of time; the owner still manages the vessel but the charterer selects the ports and directs the vessel where to go. The charterer pays for all fuel the vessel consumes, port charges, commissions, and a daily hire to the owner of the vessel.

Transshipment

Transshipment refers to the act of sending an exported product through an intermediate country before routing it to the country intended to be its final destination.

***Twenty-Foot Equivalent Unit (TEU)**

The measure used for container capacity, a teu is a volume measurement equal to one standard 20 ft (length 6.1 meter; approximately 39 cubic meters) container.

Twenty-Foot Equivalent Unit (TEU)

TEU is a measure of a ship’s cargo-carrying capacity. One TEU measures twenty feet by eight feet by eight feet -- the dimensions of a standard twenty-foot container. An FEU equals two TEUs.

Ultimate Consignee

The ultimate consignee is the person located abroad who is the true party in interest, receiving the export for the designated end-use.

ULCC

Ultra Large Crude Carrier. A tanker in excess of 320,000dwt.

VLCC

Very Large Crude Carrier. A tanker of 200,000 to 319,000dwt. It can carry about 2 million barrels of crude oil.

Wharfage

A charge assessed by a pier or dock owner for handling incoming or outgoing cargo.

Worldscale

Worldscale is a unified system of establishing payment of freight rate for a given oil tanker’s cargo. Worldscale was established in November 1952 by London Tanker Brokers’ Panel on the request of British Petroleum and Shell as an average total cost of shipping oil from one port to another by ship. A large table was created for this purpose.

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 Location &
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 & Marine Advisory Services
- Maritime Training Services

Certificate No.: IRQS/211201422

Original Certification Date : 23/12/2015

Current Date of Granting : 10/12/2021

Expiry Date : 20/12/2024



Shashi Nath Mishra
Head IRQS

CSR ACTIVITIES

1 Project for Elimination of Disability from Clubfoot in Children

SCI has supported for treatment facility to 100 children with clubfoot through clinics developed at six different government hospitals in Maharashtra. The project is undertaken in association with Cure International India Trust (CIIT) strengthening the National Health Mission.

Treatment Procedure

The Ponseti Method (Non- surgical) performed by the doctors in these clinics has specific treatment protocol to be followed. First phase - The first phase of treatment is manipulation and casting wherein the child's feet is manipulated using plaster casting, this process involves 4-6 weeks.

Second Phase - Tenotomy is done, which is a minor surgery of around 5-10 minutes followed by a three week long plaster casting.

Third Phase - The next phase of the treatment is the use of the scientifically developed Foot Abduction Brace (FAB) that keeps the foot in the corrective position to control relapse. The brace should be worn (night and nap time) by the children for four to five years and is changed frequently along with the growth of the feet. 8 to 10 braces are given on an average to every child during this five year follow up.



2 Project for setting up Smart Classrooms

SCI has supported for setting up of Smart Classrooms at municipal schools under Thane Municipal Corporation, Thane, Maharashtra. The project is undertaken in association with Society for NEED. Four Smart Classrooms have been set up at four municipal schools in consultation to the local administration.



3 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 by providing hot, nutritious, healthy and unlimited mid-day meals to 3000 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 Meals scheme across government and government aided schools.

4 Project for Skill Development Training

SCI has associated with Regional Centre for Entrepreneurship Development (RCED) for providing Skill Development training to 150 underprivileged women in apparel sector and other technical fields. The project has been implemented in Nandurbar & Osmanabad, aspirational districts in Maharashtra.

The project aims to provide skill development training to 150 women to make them capable and self-dependent through proper technical training in the field of traditional and technical occupations.





भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)



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

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