



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

भारतीय नौवहन निगम लिमिटेड

(भारत सरकार का उद्यम)

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

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



The Shipping Corporation Of India Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)

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

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

सीआईएन/CIN-L63030MH1950G01008033

Ref: A10-SEC-BD-808

Date: 17.07.2020

To,

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

Dear Sir/ Madam,

Disclosure of Material Impact of COVID-19 Pandemic on the SCI

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020 and in compliance with the provisions of Regulation 30 and Schedule III of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015; we hereby enclosed the disclosure on impact of COVID-19 Pandemic on the Company.

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

Thanking You,

For The Shipping Corporation of India Ltd.

Sd/-

Shri. Dipankar Haldar

ED (LA) & Company Secretary

Note: In the view of prevailing situation in the country due to health emergency posed by COVID-19 and in terms of guidelines for submissions issued by the stock exchanges, the above submission is made without signature i.e under Sd/- mode.

INTIMATION ON IMPACT COVID-19 PANDEMIC

The pandemic and the lockdown imposed to flatten the curve of infection spread have caused an unprecedented and a massive havoc in the entire economy and business operations. SCI has also not been immune to its effects.

1. Overall Impact on Company's Business –

On an overall basis the Company's business has not been significantly impacted as there has been a rise in tanker rates in the backdrop of sharp drop in oil prices and demand for floating storage. This may not sustain in the future.

The shipping business and markets have been adversely impacted as the cascading effect of the lockdown pervaded the port and cargo operations leading to delays in clearing of cargo containers, berthing of vessels, clearance of documents/immigration resulting in demand compression and utilization levels of the ships. Overseas and domestic container trade is witnessing a slowdown translating into a downward pressure on freight rates.

Offshore activities planned before onset of monsoon have been delayed affecting the commercial operations & revenues.

Invocation of Force Majeure clauses by the charterers due to declaration of Force Majeure by the Ports to avoid their liabilities could have a far reaching impact on the shipping lines in terms of disputes related to demurrage for bulk carriers and termination of contracts by the charterers leading to non-operational days of offshore vessels affecting the revenues again, apart from increasing the costs.

The near-term outlook for major shipping segments like dry bulk, containers and offshore appears negative.

2. Steps taken to ensure Smooth functioning of Operations

SCI has been alert and adeptly managing and constantly endeavoring to foresee and mitigate the negative impact. The Company was one of the first to have a Business Continuity Plan (BCP) in place in March 2020 itself to minimise disruption to operations and ensure that business remains viable during the virus outbreak and further.

Business operations and functions are being managed effectively in accordance with the BCP which is constantly reviewed for refinement in accordance with the dynamic changes. All out efforts are made to ensure the supply chain and logistics which has been badly affected and directly impacts the operations; the long standing relationships with the domestic and overseas agents and support could be leveraged to overcome the adverse scenario to a great extent.

3. Maintaining Operations and other timelines

SCI vessels have ensured uninterrupted supply of critical and essential commodities like Crude Oil/ Clean Products, Thermal coal, Fertilizers, Grains, etc for India coast as well as to other countries during the Lockdown and Global Pandemic Period.

The stipulated timelines laid down by law have also been met and the financial statements were prepared in a timely manner despite the lockdown and SCI was the first CPSE in Navratna /



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Maharatna category to have adopted its financial results for FY 2019-20 when no other CPSE in this category had declared the same.

SCI has also remained ahead of most private companies including its peers in the industry, which was a major feat considering the prevailing conditions in Mumbai. The Board Meeting for adopting the Accounts was held on 29th May 2020 without availing of any extensions granted by SEBI due to the pandemic.

4. Future Operations

It is also further assessed that Covid-19 does not have any considerable impact on Company Operations going forward. The management based on its assessment, has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company has access to line of credit which can be utilized to meet emergencies, if any, arising out of the impact of COVID on its operations. With system driven environment there has been no impact in the internal controls and reporting as well.

SCI remains committed to serve the customers and the stakeholders and it is hoped that the stimulus packages announced would lead to the desired impact on the economy and the lost momentum will be regained.
