

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SHIPPING CORPORATION OF INDIA LTD.

&

MINISTRY OF SHIPPING

GOVERNMENT OF INDIA

FOR THE YEAR

2020-2021

MEMORANDUM OF UNDERSTANDING BETWEEN
THE SHIPPING CORPORATION OF INDIA LTD.
AND
MINISTRY OF SHIPPING
FOR THE YEAR 2020-2021

Mandatory parameters
PART A

Sl. No.	Financial Performance Criteria	Unit	Marks	Current Year (2019-20)	Best in 5 years	MoU Targets for the year 2020-21				
						Excellent 100%	V.G. 80%	Good 60%	Fair 40%	Poor 20%
1	Turnover Revenue from Operations (Net of Taxes)	Rs. crore	10	4425	4186	4425	4000	3700	3600	3500
2	Operating Profit/Loss Operating Profit as % of Revenue from Operations	%	20	2.36	15.42	6	2.36	0.50	0.40	0.30
3	Return on investment: PAT as a % of Average Net worth	%	20	4.25	11.39	7	4.25	1.00	0.80	0.60
	Total (A)		50							

**Other Parameters
(Part-B)**

Sl. No.	Performance Criteria	Unit	Marks	Current Year (2019-20)	Best in 5 years	MoU Target for the year 2020-21				
						Excellent 100%	V.G. 80%	Good 60%	Fair 40%	Poor 20%
1	Capacity Utilization Operating days based on dwt. of vessel	%	10	94.26	94	95	94	89	88	87
2	Achievement of CAPEX	Rs. crore	5	-	-	80	70	60	50	40
3	Ships Availability as a % of total Ships	%	9	98.63	99.49	95	92	91	90	89
4	Delivery of cargo without time overrun	%	10	100	100	100	98	97	96	95
5	Trade receivables (Net) as number of days of Revenue from Operations	No. of Days	5	50.14	55.68	50	60	62	64	66
6	Reduction in claims against the company not acknowledged as debt: CPSE & Others	%	3	-	-	20	18	16	14	12
7	Board decision on the issue of Closure /Merger of Inland Coastal Shipping Ltd and communicating to the Administrative Ministry	Date	3	-	-	31/12/20	15/01/21	31/01/21	15/02/21	28/02/21
8	Percentage of procurement of goods and services through GeM portal to total procurement of goods and services during the previous year i.e. FY 2019-20	%	5	-	-	25	20	15	10	5
	Total (B)		50							
	TOTAL (A) + (B)		100							

Footnotes:

1. In working out achievements for the year, quantified qualifications of CAG/Statutory Auditors would be adjusted in case of overstatement of Revenue/Profit/Surplus or understatement of Loss/Deficit, in addition to the negative marks prescribed in MOU guidelines.
2. Adjustment would be made in the targets in case of improvement in actual performance over the estimated performance in the base year (2019-20) as per MoU Guidelines.
3. It was agreed that targets decided are unconditional and no offset will be allowed on any ground. Further, evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU guidelines.



Chairperson & Managing Director

The Shipping Corporation of India Ltd.



Secretary to the Government of India

Ministry of Shipping

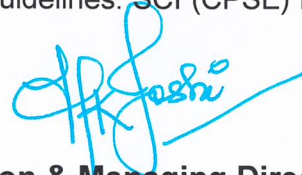
Date: 3.11.2020

Place:

THE SHIPPING CORPORATION OF INDIA LTD.

Self declaration/certification

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines dated 17th January 2019 (subject to such changes as necessitated due to the organization being in the shipping sector). In case, any deviation is found at any point of time, DPE is free to evaluate as per audited accounts as per MoU Guidelines. SCI (CPSE) has no right of claim in this regard.

A handwritten signature in blue ink, appearing to read 'A. K. Joshi', is written over the printed name of the Chairperson & Managing Director.

Chairperson & Managing Director

TREND ANALYSIS (RS. IN CRORES)

Sr. No.	Evaluation Criteria	Financial Year										Current Year 2019-20	
		Target v/s Actual	Unit	2014-15 (Audited)	2015-16 IND AS (Audited)	2016-17 Ind AS	2016-17 Restated (Audited)	2017-18 (Audited)	2017-18 Regrouped (Audited)	2018-19 (Audited)	2018-19 Regrouped (Audited)	Actuals	Estimated
1	Revenue from Operations (Gross)	Actual	Rs Crores	4,186	4,050	3,447	3,447	3,470	3,470	3,926	3,873	4,425	3,863
		MOU	Rs Crores	4,475	4,401	4,100	4,100	3,900	3,900	3,500	3,500	4,425	3,700
2	a.Profit before Tax		Rs Crores	276	789	177	186	29	29	(75)	(75)	348	(42)
	b.Other Incomes		Rs Crores	401	165	145	145	148	148	218	232	243	176
	c.Extraordinary & Exceptional items		Rs Crores	-	-	-	-	-	-	-	-	-	-
	d.Prior Period Items		Rs Crores	(14)	-	-	-	-	-	-	-	-	-
	e.Operating Profit/Loss (a-b+/-c+/-d)	Actual	Rs Crores	(125)	625	32	41	(119)	(119)	(293)	(307)	105	(219)
		MOU	Rs Crores	(318)	(319)	250	250	(213)	(213)	(622)	(622)	(219)	(219)
3	a.PAT		Rs Crores	201	753	136	142	254	254	(122)	(122)	302	(108)
	b.Net Worth at year end		Rs Crores	6,534	6,697	6,874	6,846	7,093	7,093	6,971	6,971	7,273	6,785
	c.Average Net worth		Rs Crores	6,437	6,615	6,889	6,771	6,969	6,969	7,032	7,032	7,122	6,878
	d.PAT/Average Net worth	Actual	%	3%	11%	2%	2%	4%	4%	-2%	-2%	4%	-2%
		MOU	%	-6%	-5%	3%	3%	4%	4%	-2%	-2%	4%	-2%
	e.Paid up share capital		Rs Crores	466	466	466	466	466	466	466	466	466	466
	f. Gol share		%	63.75%	63.75%	63.75%	63.75%	63.75%	63.75%	63.75%	63.75%	63.75%	63.75%
	g. Reserves and Surplus		Rs Crores	6,068	6,258	6,402	6,367	6,632	6,632	6,515	6,515	6,832	6,320
4	Total Expenses		Rs Crores	4,298	3,425	3,415	3,407	3,588	3,588	4,219	4,180	4,321	4,081
5	Total Incomes		Rs Crores	4,588	4,215	3,592	3,593	3,617	3,617	4,144	4,105	4,668	4,039
6	Total expenses/Total Incomes		%	94%	81%	95%	95%	99%	99%	102%	102%	93%	101%
7	Details of other incomes												
	a.Interest		Rs Crores	146	114	106	106	86	86	90	90	81	84
	b.Dividend		Rs Crores	7	6	0	0	2	2	3	3	2	3
	c. Other Incomes		Rs Crores	249	44	38	38	60	60	125	139	160	90
	d.Total		Rs Crores	401	165	145	145	148	148	218	232	243	176
8	a.Cash and Bank Balance and equivalent		Rs Crores	1,256	1,285	1,376	1,376	1,130	1,111	998	998	938	
	b.Investment in mutual funds		Rs Crores	77	37	-	-	56	56	-	-	-	
	c.Investment in shares (other than subsidiary/Vs)		Rs Crores	-	1	1	1	1	1	4	4	4	
	d.Total (a+b+c)		Rs Crores	1,333	1,324	1,377	1,377	1,187	1,169	1,002	1,002	941	
	e.Cash credit/Over-draft loan/Short-term loan		Rs Crores	35	-	974	974	1,274	1,274	1,587	1,587	1,986	
	f.Balance in Current account		Rs Crores	97	84	80	80	49	30	60	60	218	
9	Dividend paid/ declared for the year, excluding Dividend Tax		Rs Crores	-	-	-	-	-	-	-	-	35	

*Audited cash and bank balance as on 31.03.2020 includes Rs. 486.61 Crore which is either earmarked / Lien or towards compliance of covenants.

PART - B

TREND ANALYSIS (OTHER PARAMETERS)

Sl. No	Performance Criteria	Unit	Target v/s Actual	2014-15	2015-16	2016-17	2017-18	2018-19	Current Year (2019-20)	
									Actuals	Estimated
1	Capacity Utilization operating days based on dwt. of vessel	%	Actual	94	91	89	90	90.17	94.26	90
			MoU	Not chosen as a parameter					90	90
2	Achievement of CAPEX	(Rs. Crore)	Actual	-	14.00	193.36	620.44	278.70	82.29	119.12
			MOU	Not chosen as a parameter		900	300	50	80	
3	Ships Availability as a % of total Ships	%	Actual	99.49	97.77	96.04	95.79	96.3	98.63	98.63
			MOU	A new initiative						
4	Delivery of cargo without time overrun	%	Actual	98	95	100	100	100	100	98
			MOU	-	-	100	100	100	100	
5	Trade receivables (Net) as number of days of Revenue from Operations	No. of Days	Actual	68.69	61.45	69.75	64.02	55.68	50.14	50.52
			MoU	Not chosen as a parameter			63	70	63	
6	Reduction in claims against the company not acknowledged as debt: CPSE & others	%	Actual	New Initiative						
			MOU	Not chosen as a parameter						
7	Board decision on the issue of Closure/Merger of Inland Coastal Shipping Ltd and communicating to the Administrative Ministry	Date	Actual	New Initiative						
			MOU	Not chosen as a parameter						
	Percentage of procurement of goods and services through GeM portal to total procurement of goods and services during the previous year i.e. FY 2019-20)	%	Actual	New Initiative						
			MOU	Not chosen as a parameter						

Brief about the CPSE

1.	Name of the CPSE	The Shipping Corporation of India Ltd.		
2.	Schedule of the CPSE (Please tick)	A		
3.	Purpose for which CPSE has been setup and the main business now	<p>The Shipping Corporation of India was established on October 2nd, 1961, by the amalgamation of Eastern Shipping Corporation and Western Shipping Corporation for providing shipping services for transportation of goods between India and overseas and thereby promoting EXIM trade.</p> <p>Starting out as a marginal Liner shipping Company with just 19 vessels, the SCI has today evolved into the largest Indian shipping Company catering to various segments of the shipping trade and owns presently the most diversified fleet of 59 vessels of 5.31 mn DWT. SCI operates in three segments viz. Bulk Carrier & Tankers, Liner & Passenger Services and Technical & Offshore and operates in almost all areas of shipping business catering to both national and international trades. In addition to owned vessels, SCI manages 51 vessels of 0.387 Million DWT tones and 0.537 million GT on behalf of JVCs, other PSUs and Government departments. It serves India's overseas and coastal seaborne trade and aspires to be an important player in the field of global maritime logistics with focus on:</p> <ul style="list-style-type: none"> • 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. <p>SCI continues to explore possibilities on its own and through strategic alliances to further consolidate its leading position in the maritime world. It continues to explore possible areas for diversification into shipping related activities.</p>		
7.	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years			
	Year*	Name of subsidiary	Amount invested at the Year end (Rs in Cr.)	Share in its profit (Rs. In Cr.)
	2014-15	N.A.	N.A.	
	2015-16			
	2016-17	Inland & Coastal Shipping Ltd. incorporated in September 2016	0.05	-0.09
	2017-18		0.05	-0.00
	2018-19		0.05	-0.00
8.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years	Separate sheet attached		
9.	Details of revival plan approved earlier	N.A.		

JOINT VENTURE DETAILS

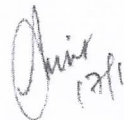
Particulars (Rs. in lakhs)	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Total Investment	1296	2728	7359	7359	7359
India LNG No.(1)	3	3	3	3	3
India LNG No.(2)	3	3	3	3	3
India LNG No.(3)	1	1	1	1	1
India LNG No.(4)	1289	2721	7352	7352	7352

Particulars (Rs. in lakhs)	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Share in profit	1317	3194	4018	5494	6119
India LNG No.(1)	1232	1098	2011	2126	2127
India LNG No.(2)	698	1453	2184	1731	2341
India LNG No.(3)	-613	643	0	220	186
India LNG No.(4)	0	0	-176	1417	1465

* Excludes Irano Hind Shipping Co. Ltd. & SAIL SCI Shipping Pvt. Ltd. which are held for sale and SCI Forbes which has been sold.

EXTRACT OF THE MOU GUIDELINES (PARA 14.2)

14.2 Score and rating as per para 14.1 would be subject to fulfilling following criteria failing which aggregate MoU score would be reduced by 1 mark for each instance of non-compliance subject to maximum of 5 marks and the rating would be modified accordingly:

- i. Compliance of Provisions of The Companies Act, 2013 or the relevant Act under which they have been regulated (To the extent compliances are within the ambit of CPSEs).
 - ii. In case of listed CPSEs, compliance of provisions of Listing Agreement (To the extent compliances are within the ambit of CPSEs).
 - iii. Compliance of DPE Guidelines having financial implications.
 - iv. No adverse observations by CAG on Annual Accounts pointing out misappropriation of funds of any amount or Over statement of profit/ surplus/ assets or understatement of loss/ deficit/ liabilities amounting to 5% of Revenue from Operation.
 - v. Holding of AGM without seeking extension of time.
 - vi. Submission of Draft MoU/ MoU evaluation through administrative ministry/ department to DPE by prescribed date.
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- vii. Signing of MoU as prescribed without deviation from minutes of the IMC meeting.
 - viii. Compliance of Public Procurement Policy for Micro and Small Enterprises issued by M/o Micro Small and Medium Enterprises.
 - ix. Compliance of DPE Guidelines issued from time to time for CSR Expenditure by CPSEs.
 - x. Compliance of DPE guidelines on Digital India.
 - xi. Compliance of DPE guidelines on any policy, issued from time to time, and prescribed specifically in this regard.