

PRELIMINARY INFORMATION MEMORANDUM

For Inviting Expression of Interest

For

Strategic Disinvestment of Government Stake in
Shipping Corporation of India Limited (SCIL)

By

Ministry of Finance
Department of Investment and Public Asset Management



सत्यमेव जयते

Transaction Advisor



RBSA Capital Advisors LLP
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22nd December 2020

ADVERTISEMENT



GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF INVESTMENT & PUBLIC ASSET MANAGEMENT (DIPAM)

GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA ("GOI") IN SHIPPING CORPORATION OF INDIA LIMITED ("SCIL") ALONG WITH TRANSFER OF MANAGEMENT CONTROL

SCIL is a Central Public Sector Enterprise ("CPSE"), under the administrative control of Ministry of Ports, Shipping and Waterways ("MoPSW"), GOI, engaged primarily in the activity of transporting goods and passengers. SCIL's owned fleet include bulk carriers, crude oil tankers, product tankers, container vessels, passenger-cum-cargo-vessels, LPG/ ammonia carriers and offshore supply vessels.

GOI is proposing strategic disinvestment of its entire shareholding in SCIL comprising 29,69,42,977 equity shares, which constitutes 63.75% of SCIL's equity share capital ("Stake") along with transfer of management control to investors. GOI has appointed RBSA Capital Advisors LLP, as its Transaction Advisor ("TA") to advise and manage the strategic disinvestment process.


This disinvestment process is being implemented through competitive bidding route. A Preliminary Information Memorandum ("PIM") for inviting Expression of Interest ("EOI") from interested parties ("IP") can be downloaded from websites of DIPAM at www.dipam.gov.in, MoPSW at www.shipmin.gov.in and SCIL at www.shipindia.com and RBSA Capital Advisors LLP at www.rbsa.in

IPs (Sole bidder(s) or a consortium who meet the eligibility criteria mentioned in the PIM, may submit their EOI either in electronic form via email or in physical form in a sealed envelope superscribed "Private and Confidential- Expression of Interest for the Strategic Sale of SCIL" not later than 17:00 hours (Indian Standard Time) on 13.02.2021 (Saturday). However, IPs submitting EOI by email shall also be required to submit the EOI in physical copy in a sealed envelope superscribed "Private and Confidential- Expression of Interest for the Strategic Sale of SCIL" not later than 17:00 hours (Indian Standard Time) on 01.03.2021 (Monday). The address of physical submission is provided below as:

Address for submission: RBSA Capital Advisors LLP 2nd Floor, IAPL House 23, South Patel Nagar New Delhi – 110 008, India.

E mail: scileoisubmission@rbsa.in

Postal Address: Mr. Ajay Malik/Mr. Suchismit Ghosh, RBSA Capital Advisors LLP, 2nd Floor, IAPL House 23, South Patel Nagar, New Delhi – 110008, India, Email address for correspondence: scilquery@rbsa.in


21/12/2020

PART - A

DISCLAIMER

RBSA Capital Advisors LLP ("**RBSA**") has been appointed as the Transaction Advisor ("**TA**") by the Government of India ("**GOI**"), pursuant to a Request for Proposals (**RFP**) dated 11th October 2019 and subsequent engagement letter dated 8th January 2020, for advising them on the proposed strategic disinvestment of Shipping Corporation of India Limited ("**SCIL**" or the "**Company**") by way sale of its entire shareholding, **63.75%** equity share capital ("**Stake**") in the Company along with the transfer of management control (the "**Transaction**").

The sole purpose of this Preliminary Information Memorandum ("**PIM**") is to assist the recipient in evaluating a potential opportunity of acquisition of **63.75%** shareholding along with management control in SCIL, currently being held by GOI and accordingly submitting an Expression of Interest ("**EOI**") (in the manner as described subsequently). The information contained herein may be subject to material updating, revision and further amendments. GOI, SCIL or RBSA does not undertake to update this PIM to reflect events subsequent to the date of this PIM, and thus this PIM should not be relied upon without first confirming its accuracy. This PIM is not intended to form the basis for any investment decision for an Interested Party ("**IP**") for the Transaction. This PIM is being furnished by RBSA to parties who may be interested in acquiring the Stake in this Transaction. In all cases, bidders should carry out their own evaluation and analysis of SCIL and all data set forth in this PIM, and their own investigation in relation to the business of SCIL.

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All acts, deeds and things done or caused or intended to be done, by DIPAM and/or RBSA and/or SCIL hereunder are based on and in reliance of the IP's acceptance of the terms and conditions of this disclaimer.

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By acceptance of the PIM, the recipient agrees that any information herein will be superseded by any later written information on the same subject made available to the recipient by or on behalf of DIPAM, SCIL and RBSA. DIPAM, SCIL and RBSA and any of their respective officers or employees, advisors and agents undertake no obligation, among others, to provide the recipient with access to any additional information or to update the PIM or to correct any inaccuracies herein which may become apparent. DIPAM reserves the right, at any time and without advance notice, to change the procedure for the sale of all or any part of the equity and/or terminate negotiations or the due diligence process and/or refuse the delivery of information, at any time prior to the execution of definitive agreements without any prior notice or stating any reasons thereof and without incurring any liability in respect thereof. DIPAM or their respective agents, consultants, officials, advisors, and employees make no representation in relation thereto and shall not be liable in any manner whatsoever.

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The details on the economy and industry do not purport to be a complete review of the industry in which SCIL carries on or proposes to carry on its business. The information set out in this PIM; including any other information made available has been extracted from published sources of information as available in terms of industry publications. No independent verification of such sources has been carried out by RBSA. The information contained herein generally reflects the latest available data, the same may not always relate to the most recent years and therefore may not be wholly up-to-date. This PIM should therefore be read with caution. RBSA is not acting for the recipients of this document.

The PIM has been prepared and issued strictly in order to provide details of SCIL for the limited purpose of submitting the EOI. RBSA has relied upon publicly available information provided by SCIL. The information has been reviewed on a selective basis from readily available secondary data sources as mentioned in the PIM. RBSA has by no means carried out any audit or due diligence exercise to verify either the past or current financial data pertaining to the businesses including the balance sheet or profit and loss account that has been provided to RBSA. RBSA may mention that its scope of work for this exercise does not include technical/ financial feasibility or market research.

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This PIM is divided into two parts, **Part – A** and **Part – B**, which are further divided into chapters & sub-sections only for the convenience of the readers. Any partial reading of this PIM may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this PIM. Further, by accepting a copy of this PIM, the recipient accepts the terms of this DISCLAIMER, which forms an integral part of this PIM.

Information provided in this PIM is on a wide range of matters, some of which may depend upon the interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law.

Neither the GOI, the DIPAM, SCIL nor the TA shall be liable for any delays, non-delivery, data corruption, viruses, worms, trojan horses and other malicious codes, hacking, interception, unauthorized amendment or other tampering or other such risks or events arising to any IP due to faults in any software/hardware system or otherwise used in connection with this PIM or matters related thereto.

Publication of this PIM by any other entity other than TA, SCIL or GOI is strictly prohibited. The issuance of this PIM and the conduct of the process related to the Transaction constitute commercial acts performed for commercial purposes and do not constitute sovereign acts.

The PIM has not been filed, registered or approved in any jurisdiction. Recipients of the PIM resident in jurisdictions in and outside India should inform themselves of and observe any applicable legal requirements. The distribution of this document in certain jurisdictions may be restricted by law and, accordingly, recipients represent that they are able to receive this document without contravention of any unfulfilled registration requirements or other legal restrictions in the jurisdiction in which they reside or conduct business.

None of RBSA, its member firms, or their related entities is, by means of this material, rendering professional advice or services. The information is not intended to be relied upon as the sole basis for any decision which may affect IP or its business. Before making any decision or taking any action that might affect your personal finances or business, an IP should consult a qualified professional advisor.

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DEFINITIONS

Abbreviation	Meaning
A&N	Andaman & Nicobar
Affiliate	“Affiliate” with respect to any person/entity means any other person/entity which is controlled by, controlling or under common control with former. “Control” and its derivatives shall have the same meaning as in the Companies Act, 2013, provided that any person/entity which owns more than 50% of the equity shares of any other person/entity shall be deemed to be in control of the latter.
AIF	Alternative Investment Fund
BCC	Bulk Carrier Commercial
BCT	Bulk Carrier Technical
BSE	Bombay Stock Exchange
CA&B	Corporate Accounts & Budget
CBM	Cubic Meter
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CM	Chief Manager
COSCO	China Ocean Shipping Company Limited
CPSE	Central Public Sector Enterprise
Crore	1,00,00,000 or equivalent to 10 Million
CSB	Confirmed Selected Bidder
CSM & FR	Container, Services & Marketing & Freight Reconciliation
CU	Confidentiality Undertaking
CVO	Chief Vigilance Officer
DGM	Deputy General Manager
DIPAM	Department of Investment & Public Asset Management
DOF	Department of Fertilizers
DPE	Department of Public Enterprises
DPIIT	Department for Promotion of Industry and Internal Trade
DR	Data Room
DRDO	Defence Research & Development Organization
DSRV	Deep Submergence Rescue Vehicle
DWT	Deadweight Tonnage
E&P	Exploration and Production
ED	Executive Director
Eligibility Criteria	Eligibility Criteria for IP
EOI	Expression of Interest
EOI Due Date	Last date and time for submission of the EOI, as defined in Clause 1.3
F&T	Finance & Treasury
FD&D	Freight, Demurrage & Defence
FEMA	Foreign Exchange Management Act, 1999
FIFP	Foreign Investment Facilitation Portal

FII	Foreign Institutional Investor
FI	Financial Institutions
FPO	Further Public Offer
Fund	An AIF or a Foreign Investment Fund, as applicable
GM	General Manager
GMDSS	Global Maritime Distress Safety System
GOI	Government of India
GP/MR Carrier	General Purpose/Medium Range Carrier
GST	Goods and Services Tax
GT	Gross Tonnage
H&M	Hull & Machinery
H1 bidder	Highest bidder
ICSL	Inland & Coastal Shipping Limited
IEPF	Investor Education & Protection Fund
IHSC	Irano Hind Shipping Company Ltd
IMO Cargo	International Maritime Organization Cargo
IMS	Integrated Management System
INR	Indian Rupee
IP	Interested Party
IRQS	Indian Register Quality Systems
ISM	International Safety Management
ISO	International Organization for Standardization
ISPS	International Ship & Port Facility Security Code
ISRO	Indian Space Research Organization
IWAI	Inland Waterways Authority of India
JV	Joint Venture
KIOCL	Kudremukh Iron Ore Company Limited
L&L Partners	Luthra & Luthra Partners
L&P	Liner & Passenger Services Division
LA	Legal Advisor
LDT	Light Displacement Tonnage
LLP	Limited Liability Partnership
LPG	Liquefied Petroleum Gas
LTCPS & PO	Liner Technical & Coastal Passenger Services & Port Operations
ME&I	Middle East & India
MI Act	The Marine Insurance Act, 1963
MMT	Million Metric Tons
MOL	Mitsui O.S.K. Lines
MOM	Mars Orbiter Mission
MOPSW	Ministry of Ports, Shipping and Waterways
MOU	Memorandum of Understanding
MPSV	Multi-Purpose Supply Vessel
MSC	Mediterranean Shipping Company S.A
MT	Metric Ton

MTI	Maritime Training Institute
NBFC	Non-Banking Financial Company
NSE	National Stock Exchange
NUSI	National Union of Seafarers of India
NW	Net Worth
NYK	Nippon Yusen Kabushi Kaisha
ODC	Over-Dimensional Cargoes
OFS	Offer for Sale
ONGC	Oil and Natural Gas Corporation
OPEC	Organization of the Petroleum Exporting Countries
OSVs	Offshore Supply Vessels
P&I	Protection & Indemnity
P&S	Purchase & Services
PA	Public Announcement
PAC	Persons Acting in Concert
PIM	Preliminary Information Memorandum including addendum/s issued
PLL	Petronet LNG Limited
POA	Power of Attorney
PSU	Public Sector Undertaking
QIP	Qualified Interested Parties
RB & CDD	Repair Bills & Centralised Dry Dock
RBI	Reserve Bank of India
RBSA	RBSA Capital Advisors LLP
RFP	Request for Proposals
RINL	Rashtriya Ispat Nigam Limited
RP	Reserve Price
SAIL	Steel Authority of India Limited
SB&S	Ship Building & Services
SCIL	Shipping Corporation of India Limited
SEBI	Securities and Exchange Board of India
SM	Senior Manager
SMC	Safety Management Certificate
SMS	Safety Management System
SP & FPA	Shore Personnel & Fleet Personnel Accounts
SSNNL	Sardar Sarovar Narmada Nigam Limited
SSSPL	SAIL SCIL Shipping Pvt. Limited
SVC	Specialized Vessel Cell
SVC-C	Specialized Vehicle Cell-Commercial
T&Os	Technical & Offshore Services
TA	Transaction Advisor
Takeover Regulations	SEBI takeover regulations
TC	Tanker Commercial
TEU	Twenty-Foot Equivalent Unit
TT	Tanker Technical

UBO	Ultimate Beneficial Owner
UNCTAD	United Nations Conference on Trade and Development
US	United States of America
VLCC	Very Large Crude Carrier
VLSFO	Very Low Sulphur Fuel Oil

1. Introduction

1.1 Transaction Background and Broad Terms of the Transaction

The Government of India (“GOI”) has granted an ‘in-principle’ approval and is proposing a strategic disinvestment of the Shipping Corporation of India Limited (“SCIL” or the “Company”) by way of sale of its entire shareholding, **63.75%** equity share capital (“Stake”) in the Company along with the transfer of management control (the “Transaction”).

SCIL is a Central Public Sector Enterprise (“CPSE”) under the administrative control of the Ministry of Ports, Shipping and Waterways (“MOPSW”), GOI. SCIL is the largest Indian shipping company in terms of capacity with a varied fleet profile. The Company is diversified in terms of its business segments and is today the only Indian shipping company operating break-bulk services, international container services, liquid/dry bulk services, offshore services, passenger services. In addition, the SCIL mans and manages a large number of vessels on behalf of various government departments and organizations.

SCIL was incorporated by amalgamation of Eastern Shipping Corporation and Western Shipping Corporation as India’s first public sector company in shipping on 2nd October 1961. Jayanti Shipping Company merged with SCIL in 1973 and Mogul Line Limited; another GOI owned shipping company merged with SCIL in 1986. In 1992, GOI disinvested 18.51% of its shareholding in the Company in favor of FIs, Mutual Funds, Banks and FII and subsequently in the same year, the equity shares of the Company were listed on major Indian Stock Exchanges. In 1994, GOI further divested 1.37% of its holding in SCIL. In 2000, the Company was conferred “Mini Ratna” status for enhancing Company’s board powers for capital investment.

As on 27th November 2020, SCIL’s authorized capital is INR 1000,00,00,000 divided into 100,00,00,000 equity shares of INR 10 each and its paid-up share capital is INR 4,65,79,90,100.

The GOI acting through the Department of Investment and Public Asset Management (“DIPAM”) has engaged RBSA Capital Advisors LLP as Transaction Advisor (“TA”) for providing advisory services and managing the disinvestment process.

The process for the Transaction has been divided into two stages, **Stage I** and **Stage II**:

Stage I: Through this invitation for EOI, the TA is providing the Interested Parties (“IPs”) with instructions for submitting their EOIs to the TA, which would be used for pre-qualifying the IPs in accordance with Eligibility Criteria and Disqualification conditions detailed in this invitation for EOI. Only those IPs who qualify in accordance with Eligibility Criteria and Disqualification conditions shall be allowed to participate in **Stage-II** subject to IP executing a Confidentiality Undertaking (“CU”).

Stage II: Based on an evaluation of the EOIs submitted, the qualified IPs will be provided with Request for Proposal (“RFP”), and providing further details of SCIL subject to the IP executing the CU as enclosed in **Annexure VI**. Thereafter, financial bids submitted by the qualified IPs as per the terms of the RFP shall be opened and evaluated as per procedure laid down by GOI.

1.2 Contact details for clarifications

All enquiries related to the PIM for the Transaction (submitted on the letterhead of the IP duly signed by its authorized signatory should be submitted in original by post either by courier or speed post), and a scanned copy of such letter needs to be emailed as per details below:

Email:

Common e mail ID: scilquery@rbsa.in

All communication shall clearly mention in the Subject Line: ***"Queries/ Request for Additional Information: PIM for Strategic Disinvestment of Shipping Corporation of India Limited."***

The postal address for communication is as follows:

Mr. Ajay Malik/ Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi-110008 - INDIA

IPs should note that all correspondence, enquiries, requests for additional information and clarifications in relation to the Transaction should be routed and addressed only to the TA at the above address. Neither GOI nor the Company shall be responsible in any manner to reply to any communication directly to the IPs or to respond to any communication sent directly to them by the IPs.

All responses to queries will be provided without revealing the source of the query. Further, GOI, the Company and the TA, reserve the right not to respond to queries or clarifications sought and not to provide information in addition to the information provided herein.

Through this PIM, the Transaction Advisor is providing the IPs with limited and selected information pertaining to SCIL for submitting their EOI to the Transaction Advisor, in respect of the proposed Strategic Disinvestment of Government Stake in SCIL.

The PIM, or any other clarifications and common communications related to the Transaction will be made available on the following websites:

- i. Website of DIPAM at www.dipam.gov.in
- ii. Website of MOPSW at www.shipmin.gov.in
- iii. Website of SCIL at www.shipindia.com
- iv. Website of TA at www.rbsa.in

The IPs are advised to check the above mentioned websites for any clarifications that may be posted by the TA. Contact details for seeking clarifications are provided below:

Table 1: Contact details of TA

Mr. Ajay Malik RBSA Capital Advisors LLP Tel: +91 22 6130 6015 Mob: +91 9724343852 E-mail: ajay.malik@rbsa.in	Mr. Suchismit Ghosh RBSA Capital Advisors LLP Tel: +91 22 6130 6010 Mob: +91 99870 42714 E-mail: suchismit.ghosh@rbsa-advisors.com	Mr. Ankur Wahal RBSA Capital Advisors LLP Tel: +91 11 2580 2327 Mob: +91 85270 19339 E-mail: ankur.wahal@rbsa-advisors.com
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1.3 Important Dates

Table 2: Important Dates related to PIM

Sr. No.	Activity	Date	Time (IST)
1	Publication of Advertisement and Release of PIM	22 nd December 2020	NA
2	Last date and time for submission of written queries on PIM	23 rd January 2021	17:00
3	Last date and time ("EOI Due Date") for EOI's submission*	13 th February 2021	17:00

* If EOI is submitted via e-mail then the due date for hard copy submission is 01st March 2021

The above dates may change at the discretion of GOI and the detailed dates and schedule for subsequent activities shall be provided in RFP.

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2. Company Overview

The Shipping Corporation of India Limited established on 2nd October 1961, started out as a marginal liner shipping company with just 19 vessels and has over time evolved into the largest Indian Shipping Company. The Company is involved in the business of transporting goods and passengers. SCIL's owned fleet includes Bulk Carriers, Crude Oil tankers, Product tankers, Container Vessels, Passenger-cum-Cargo-vessels, LPG/ Ammonia carriers and Offshore Supply vessels. Sailing through for nearly six decades, SCIL today has a significant presence on the global maritime map.

As the country's premier shipping line, SCIL owns and operates around 1/3rd of the Indian tonnage and has operating interests in practically all areas of the shipping business servicing both national and international trades.

In view of demand from Indian trade, SCIL has diversified into a large number of areas. It is today the only Indian shipping company operating break-bulk services, international container services, liquid/dry bulk services, offshore services and passenger services. In addition, the SCIL mans and manages a large number of vessels on behalf of various government departments and organizations.

As a profitable commercial venture of the GOI, SCIL has an excellent track record of profitability since its inception. Its annual performance has been rated excellent for a record 18 times consecutively, under the Memorandum of Understanding (MoU) signed with GOI. MoU gets finalized as per the guidelines issued by Department of Public Enterprises (DPE) for the year. It incorporates performance targets in sync with the changing dynamics of the shipping scenario. Apart from financial parameters, as per DPE requirements, sector specific operational, human resource management and CPSE conclave action point parameters are incorporated in MoU for achieving sustained overall growth.

GOI has conferred "Navratna" status to SCIL on 01st August 2008 thereby enhancing autonomy and delegation of powers to the Company towards capital expenditure, formation of Joint Ventures, mergers etc. Introduced in 1997, Navratna status enables the Company to invest upto certain limits without prior permission from the Government.

2.1 History

The following table traces the history of the Company:

Table 3: SCIL – A brief history

Year	Details
1961	<ul style="list-style-type: none"> SCIL was incorporated by the amalgamation of Eastern Shipping Corporation and Western Shipping Corporation as India's first public sector company in shipping on 2nd October 1961.
1964	<ul style="list-style-type: none"> Diversified into crude oil transportation
1973	<ul style="list-style-type: none"> Jayanti Shipping Company merged with SCIL
1975	<ul style="list-style-type: none"> Acquired the first Indian VLCC Started Lighterage Operations Formed Irano Hind Shipping Company, a JV with Islamic Republic of Iran Shipping Lines

Year	Details
1984	<ul style="list-style-type: none"> Diversified into offshore segment, acquired anchor handling cum towing supply vessels or Offshore supply vessels, ("OSVs")
1986	<ul style="list-style-type: none"> Mogul Line Ltd. merged with SCIL
1987	<ul style="list-style-type: none"> Set up its own Maritime Training Institute (MTI) in Mumbai which is a Regional Training Centre by UNCTAD – MTI commissioned India's first Global Maritime Distress Safety System ("GMDSS") Laboratory
1991	<ul style="list-style-type: none"> Diversification into chemical tankers and cryogenic operations
1992	<ul style="list-style-type: none"> Disinvestment of 18.51% in favor of FIs, Mutual Funds, Banks & FIIs SCIL's scrip listed on major Indian Stock Exchanges
1993	<ul style="list-style-type: none"> Acquired Cellular Vessels to start Cellular Container Services
1994	<ul style="list-style-type: none"> Second divestment of 1.37% in favour of FIs, Mutual Funds and Bank
2000	<ul style="list-style-type: none"> GOI conferred "Mini Ratna" status for enhancing the Company's Board powers for capital investment
2001	<ul style="list-style-type: none"> Diversified into LNG transportation through JV companies with consortium partners, Japanese Shipping Lines (MOL, NYK & K-Line), Qatar Shipping Company, Qatar Gas Transport Company and Petronet LNG
2004	<ul style="list-style-type: none"> Completed International Ship & Port Facility Security Code ("ISPS") certification of 70 ships ahead of deadline
2005	<ul style="list-style-type: none"> Acquired the largest ship in India's registry –VLCC, 316,000 DWT First Indian shipping company to cross the INR 1,000 crore mark in Net Profit
2006	<ul style="list-style-type: none"> Crossed the INR 1,000 crore mark in Net Profit yet again "Excellent" rating under MoU system consecutively for 16 years
2007	<ul style="list-style-type: none"> INR 1000 crore mark crossed in Net Profit for the third consecutive year Won the 'Ship Owner Operator of the Year 2007' awards at the Sea Trade and Lloyds List ME&I Awards 2007 Signed its biggest ever ship building order with Hyundai of Korea for 4 Aframax Crude Oil Tankers and 2 LR-II size Product Tankers
2008	<ul style="list-style-type: none"> ISO 9000 certification obtained Conferred 'Navratna' status by the Government of India Issued Bonus Shares in the ratio 1:2
2009	<ul style="list-style-type: none"> Commenced independent management of LNG tankers Awarded 'The Safest and Most Environmentally Conscious Indian Shipping Company' on the occasion of world maritime day 2009
2010	<ul style="list-style-type: none"> In November 2010, Further Public Offer (FPO) through 100% book building process, comprising a 'fresh issue' of 42,345,365 equity shares and an 'Offer for Sale' (OFS) of 42,345,365 equity shares by the President of India. Post the disinvestment, the paid-up capital increased to INR 465.79 crore and the GOI's shareholding in SCIL reduced from 80.12% to 63.75%

Year	Details
2013	<ul style="list-style-type: none"> SCIL's PSVs 'SCIL Yamuna' & 'SCIL Nalanda' assisted ISRO in India's maiden interplanetary mission, the Mars Orbiter Mission
2015	<ul style="list-style-type: none"> Compliance with IMS for all ships and establishments (covering Environmental Management System, ISO 14001:2004, Occupational Health and Safety Assessment System, OHSAS 18001:2007 and Quality Management System, QMS 9001:2008) in December 2015
2016	<ul style="list-style-type: none"> Formation of first subsidiary of SCIL – "Inland & Coastal Shipping Ltd" for undertaking/providing transportation services through inland waterways, coastal shipping and end to end logistics SCIL acquired its first Multi-Purpose Supply Vessel (MPSV), 'SCIL Sabarmati'. Construction supervision of specialised vessel "LNG Prachi" for ILT 4 by SCIL
2017	<ul style="list-style-type: none"> In April 2017, the then SCIL's total fleet strength of 70 vessels aggregating to 6.01 mn dwt. crossed the 6mn dwt tonnage mark
2018	<ul style="list-style-type: none"> SCIL's MPSV "SCIL Sabarmati" supports Indian Navy in sea trials of 1st DSRV of India.
2019	<ul style="list-style-type: none"> SCIL expands horizon by entering into technical consultancy service to Govt. Dept. (A&N Administration) for disposal of vessel - m.v.'Akbar' Technical consultancy to SSNNL for running ferry service at the world's tallest statue- 'Statue of Unity'.
2020	<ul style="list-style-type: none"> SCIL recognized by the NUSI (National Union of Seafarers of India) for employing the highest number of women seafarers in Merchant Navy

2.2 Registration Details

The registration details of the Company are provided below:

Table 4: Registration Details of SCIL

Particulars	Details
Name	Shipping Corporation of India Limited
Category/ Sub-category	Company limited by shares/ Union Government Company
Registration Date	The Eastern Shipping Corporation of India Ltd. was incorporated 24 th March 1950 under Companies Act 1913. Later, on 02 nd October 1961, the Shipping Corporation of India Limited was formed by the amalgamation of Eastern Shipping Corporation and Western Shipping Corporation as mentioned in the AOA and MOA.
Whether Listed	Bombay Stock Exchange (BSE), India & National Stock Exchange (NSE), India
Incorporation Details	The Eastern Shipping Corporation of India Ltd. was incorporated 24 th March 1950 under Companies Act 1913. Later, on 02 nd October 1961, the Shipping Corporation of India Limited was formed by the amalgamation of Eastern

Particulars	Details
	Shipping Corporation and Western Shipping Corporation as mentioned in the AOA and MOA.
Registered Office & Contact Details	Shipping House 245, Madame Cama Road, Mumbai- 400 021 Shri Dipankar Haldar, ED(LA) & CS Tel- 022 2277 2213
CIN Number	L63030MH1950GOI008033

Source: The Company

2.3 Capital Structure

SCIL has only one class of equity shares of face value of INR 10. The shares of SCIL are listed on two key stock exchanges of India i.e. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). As on 1st December 2020, the market capitalization of SCIL was INR 2,581.18 Cr. The equity share capital of the Company as on 27th November 2020 and the detailed shareholding pattern of the Company as on 27th November 2020 are given below in the following tables:

Table 5: Capital Structure of SCIL as on 27th November 2020

Particulars	No. of Equity Shares	Share Capital (INR)*
Authorized Share Capital	100,00,00,000	1000,00,00,000
Issued, Subscribed & Paid-up Share Capital	46,57,99,010	4,65,79,90,100

*Note: Face value of each Equity Share is INR 10

Table 6: Detailed Shareholding Pattern as on 27th November 2020

Category of shareholder	No. of fully paid equity shares	Shareholding as a % of total no. of shares
Promoters		
Central Government	29,69,42,977	63.75%
Public: Institutions		
Mutual Funds	50,904	0.01%
Financial Institutions/ Banks	54,75,726	1.18%
Insurance Companies	5,50,68,005	11.82%
FII's	34,40,680	0.74%
Foreign Portfolio – Corp.	56,14,295	1.21%
Public: Non Institutions		
Bodies Corp.- Indian	1,00,41,996	2.16%
Individuals		
- Individual shareholders holding nominal share capital up to INR 2 lakhs	5,15,61,668	11.07%
- Individual shareholders holding nominal share capital in excess of INR 2 lakhs	2,18,21,105	4.68%
Others (specify)		
- Non-Resident Indian (NRI)	34,59,579	0.74%
- NBFC	2,200	0.00%

Category of shareholder	No. of fully paid equity shares	Shareholding as a % of total no. of shares
- Trusts	3,11,371	0.07%
- HUF	50,01,688	1.07%
- Clearing Member	67,84,663	1.46%
- IEPF	2,22,153	0.05%
Grand Total	46,57,99,010	100.00

Source: The Company

2.4 SCIL – Fleet Details

As on 30th November 2020, the Company owns a fleet of 59 vessels consisting of 2 Container Vessels, 13 Crude Oil Carrier (Tanker), 15 Dry Bulk Carrier, 1 LPG / Ammonia Carrier, 2 Multi-Purpose Supply Vessels, 8 Off-Shore Supply Vessels, 13 Product Carriers (Tanker) and 5 VLCCs (Tanker).

Brief details of the fleet are given below in:

Table 7: SCIL – Fleet details as on 30th November 2020

S No	Name of Vessel	DWT	Type of vessel:
1	SCI Chennai	57,813	Container Vessels
2	SCI Mumbai	57,785	Container Vessels
3	Desh Bhakt	1,13,913	Crude Oil Carrier (Tanker)
4	Desh Prem	1,13,976	Crude Oil Carrier (Tanker)
5	Desh Rakshak	1,13,918	Crude Oil Carrier (Tanker)
6	Desh Gaurav	1,13,918	Crude Oil Carrier (Tanker)
7	Maharshi Parashuram	93,322	Crude Oil Carrier (Tanker)
8	Desh Shakti	1,58,030	Crude Oil Carrier (Tanker)
9	Desh Shanti	1,58,030	Crude Oil Carrier (Tanker)
10	Desh Mahima	1,14,686	Crude Oil Carrier (Tanker)
11	Desh Garima	1,14,790	Crude Oil Carrier (Tanker)
12	Desh Suraksha	1,14,783	Crude Oil Carrier (Tanker)
13	Desh Samman	1,14,683	Crude Oil Carrier (Tanker)
14	Desh Shobha	1,58,034	Crude Oil Carrier (Tanker)
15	Desh Abhimaan	1,58,710	Crude Oil Carrier (Tanker)
16	Vishva Anand	80,204	Dry Bulk Carriers
17	Vishva Vinay	80,139	Dry Bulk Carriers
18	Vishva Preeti	80,250	Dry Bulk Carriers
19	Vishva Vijay	80,312	Dry Bulk Carriers
20	Vishva Nidhi	57,145	Dry Bulk Carriers
21	Vishva Prerna	57,161	Dry Bulk Carriers
22	Vishva Bandhan	57,196	Dry Bulk Carriers
23	Vishva Ekta	57,099	Dry Bulk Carriers
24	Vishva Vikas	57,128	Dry Bulk Carriers
25	Vishva Diksha	57,133	Dry Bulk Carriers
26	Vishva Jyoti	81,894	Dry Bulk Carriers

S No	Name of Vessel	DWT	Type of vessel:
27	Vishva Chetna	81,734	Dry Bulk Carriers
28	Vishva Uday	81,696	Dry Bulk Carriers
29	Vishva Vijeta	56,638	Dry Bulk Carriers
30	Vishva Malhar	56,616	Dry Bulk Carriers
31	Nanda Devi	53,503	LPG / Ammonia Carriers
32	SCI Sabarmati	3,352	Multi-Purpose Supply Vessels
33	SCI Saraswati	3,719	Multi-Purpose Supply Vessels
34	SCI Ahimsa	2,005	Off Shore Supply Vessels
35	SCI Urja	2,003	Off Shore Supply Vessels
36	SCI Nalanda	3,093	Off Shore Supply Vessels
37	SCI Yamuna	3,095	Off Shore Supply Vessels
38	SCI Pawan	1,994	Off Shore Supply Vessels
39	SCI Kundan	2,010	Off Shore Supply Vessels
40	SCI Panna	2,001	Off Shore Supply Vessels
41	SCI Mukta	1,966	Off Shore Supply Vessels
42	Suvarna Swarajya	32,902	Product Carrier (Tanker)
43	Sampurna Swarajya	32,950	Product Carrier (Tanker)
44	Swarna Kalash	47,878	Product Carrier (Tanker)
45	Swarna Pushp	47,795	Product Carrier (Tanker)
46	Swarna Jayanti	1,04,895	Product Carrier (Tanker)
47	Swarna Kamal	1,04,862	Product Carrier (Tanker)
48	Swarna Sindhu	73,368	Product Carrier (Tanker)
49	Swarna Ganga	73,368	Product Carrier (Tanker)
50	Swarna Brahmaputra	73,606	Product Carrier (Tanker)
51	Swarna Godavari	73,368	Product Carrier (Tanker)
52	Swarna Krishna	73,368	Product Carrier (Tanker)
53	Swarna Kaveri	73,368	Product Carrier (Tanker)
54	Swarna Mala	51,196	Product Carrier (Tanker)
55	Desh Ujaala	3,16,217	VLCC (Tanker)
56	Desh Vaibhav	3,16,409	VLCC (Tanker)
57	Desh Viraat	3,20,412	VLCC (Tanker)
58	Desh Vishal	3,21,137	VLCC (Tanker)
59	Desh Vibhor	3,16,634	VLCC (Tanker)

2.5 Business Divisions

2.5.1 Liner & Passenger Services Division (L&PS)

SCIL's Liner & Passenger Services Division operates liner, break-bulk, feeder, coastal and passenger services. In addition, the L&PS division also manages ships owned by government agencies. The Company operates liner services with its two owned container vessels viz. SCI Chennai & SCI Mumbai and three in-chartered container vessels viz. MCP Linz, MCP Salzburg and Sentosa Trader. Details of market where company operates is as follows:

Table 8: Service & Market Details

Service Name	Port / Markets
<ul style="list-style-type: none"> Himalaya service in consortium with Mediterranean Shipping Company S.A (MSC); Allocation of 627 TEUs @ 12 MT homogenous 	<p>Colombo – Nhava Sheva – Mundra – Gioia Tauro – Felixstowe – Rotterdam – Hamburg – Antwerp – Rotterdam – Colombo</p>
<ul style="list-style-type: none"> IPAK Service; Slot swap / sharing basis with MSC; Allocation – 200 TEUs @14 MT. In a slot swap arrangement between SCIL and MSC, SCIL has been allotted 200 TEUs by MSC, which operates IPAK service in exchange for similar slot allotted to MSC on the ISE service 	<p>Nhava Sheva – Hazira – Mundra – Rotterdam – Antwerp – London Gateway – Le Havre – Nhava Sheva</p>
<ul style="list-style-type: none"> SMILE Service; Consortium with Shreyas, Allocation - 220 TEUs @25 MT on Shreyas vessel & 1,067 TEUs @22 MT on SCI Mumbai PIX2 Service; Consortium with Shreyas, Allocation 220 TEUs @25 MT on Shreyas vessel & 1,067 TEUs @22 MT on SCI Chennai SMILE & PIX2 services seamlessly link up the Persian Gulf with East Coast and West Coast of India, thereby strengthening and expanding SCIL's presence in the coastal shipping sector. The joint operation on this route will be a force multiplier for SCIL which will provide a high quality of coastal services on fixed day window basis with potential for even bigger expansion in coastal and near coastal trades with special emphasis on the East coast of India ports. Two services viz. SMILE & PIX 2 with their service rotations makes it feasible to connect pan-Indian ports with improved transit time. SCIL 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. SCIL connected the west coast of India to the southern and eastern parts of India. 	<p>SMILE Service: Mundra – Kandla – Pipavav – Cochin – Tuticorin – Mundra</p> <p>PIX2 Service: Jebel Ali – Kandla – Krishnapatnam – Katupalli – Tuticorin – Cochin – Jebel Ali</p>
<ul style="list-style-type: none"> PBS Services; Standalone Services, Load Break – Bulk – 6,000 MT or 240 TEUs @25 MT on each vessel SCIL started standalone service in December' 2018 with 2 in-chartered vessels connecting Kolkata- Chennai- Port Blair route providing connectivity for cargoes from West and East coast of India to Port Blair 	<p>Kolkata – Krishnapatnam – Chennai – Port Blair – Krishnapatnam – Kolkata</p>
<ul style="list-style-type: none"> ECX Service SCIL started standalone service in March 2019 with one chartered vessel for providing connectivity for WC/ECI cargoes on Tuticorin/Kattupalli/Krishnapatnam/Haldia route 	<p>Krishnapatnam – Haldia – Katupalli – Krishnapatnam</p>

SCIL also arranges carriage of break bulk cargoes on space charter basis from various regions across the globe including USA, Europe and the Far East for imports on behalf of the Government Departments / PSUs and other GOI organisations, which includes Shipments of Over-Dimensional Cargoes (ODC) / Project cargoes / Heavy Lift cargoes / IMO Class I Cargoes etc. and containers.

In addition, SCIL manages ten vessels owned by Andaman & Nicobar (A&N) Administration which are employed for domestic passenger and cargo transportation services between the Mainland and the A&N group of islands and inter-islands, on behalf of the Government of India. Also, 17 numbers of Foreshore passenger vessels of A&N Administration are technically managed by SCIL.

SCIL also manages Oceanographic & Coastal Research vessels on behalf of Government Agencies / Departments viz. three vessels owned by Geological Survey of India, under Ministry of Mines and one vessel of National Centre for Polar & Ocean Research, one vessel of Centre of Marine Living Resources and Ecology and three vessels of National Institute of Ocean Technology under Ministry of Earth Sciences.

2.5.2 Technical & Offshore Services Division (T&OS)

Offshore vessels are mostly used for Supply Duties, Support of Rigs, Platform and Offshore assets, Towing Operations, Anchor Handling Operations, Positioning and Holding of offshore assets. The SCIL owned offshore fleet consists of Anchor Handling Tug Supply Vessels, Platform Support Vessels and Multi- Purpose Support Vessels. The fleet comprises 10 vessels with GT of 24,535 & DWT of 25,238.38.

SCIL operates its offshore vessels in the Indian market. ONGC is the dominant Exploration and production (E&P) operator in India with more than 70% of offshore requirements.

In the Indian market, approx. 120 offshore vessels are available and SCIL with 10 offshore vessels, have around 8% of domestic market share.

T&OS division provides technical consultancy services to A&N Administration, Union Territory of Lakshadweep Administration, Geological Survey of India, Union Territory of Daman and Diu Administration (UTDD) and other Government Departments for their various ships acquisition projects.

2.5.3 Bulk Carrier & Tanker (B&T) Division

The B&T division owns and operates a fleet of 47 vessels. The fleet comprises 31 Tankers (DWT of 40,94,527), 15 Bulk Carriers (DWT of 10,22,344) and 1 LPG carrier (DWT of 53,503).

Tanker Segment

SCIL tankers trade globally. Major trade regions are Arabian Gulf - India, Arabian Gulf - Far East, Red Sea - India, Red Sea-Far East, Arabian Gulf-China, Far East China/Japan. The key customers of SCIL include Indian Oil Corporation Ltd, Bharat Petroleum Corporation Ltd, Hindustan Petroleum Corporation Ltd, HPCL-Mittal Energy Limited, Bharat Oman Refinery Limited, Reliance Industries Ltd, Nayara Energy limited.

Details of Tanker fleet is as mentioned below:

Table 9: Tanker Fleet Details

Tankers	Units
GP / MR Carriers (10 – 49,999 MT)	5
LR I Carriers (50 – 79,999 MT)	6
LR II Carriers (80 – 159,999 MT)	3
Aframax (95 – 119,999 MT)	8
Suezmax (120 – 199,999 MT)	4
VLCC (200 – 320,000 MT)	5
Total	31

Bulk Carrier Segment

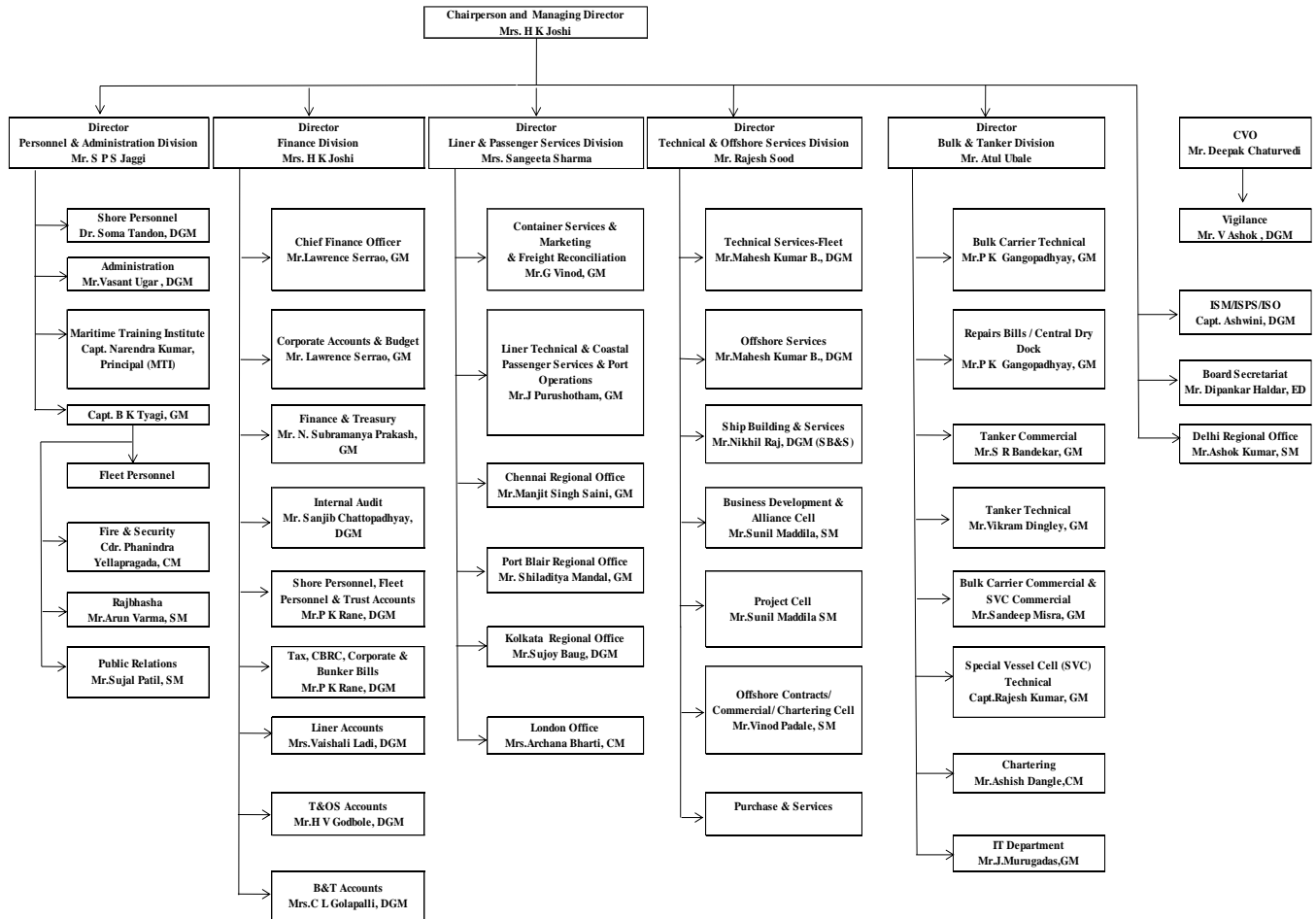
The Bulk Carrier segment has a fleet of 8 Supramax, 4 Panamax and 3 Kamsarmax carriers. They largely operate on routes that involve imports to India, Cross trade and on the Indian coast. Key customers include SAIL, RINL, Department of Fertilizers (DOF), KIOCL, Tamil Nadu Electricity Board, Oldendorff, Norvic, Quadra and Bunge.

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2.6 Organization Structure

The present Organisation Structure of the Company is provided below:

Figure 1: Organization Structure of SCIL



2.7 Board of Directors

The Board of Directors of SCIL, as on 1st December 2020 comprises the following members:

Table 10: Board of Directors as on 1st December 2020

S. No.	Name and Designation	Date of Appointment
1.	Smt. Harjeet Kaur Joshi, Chairperson & Managing Director & Director (Finance) Addl. Charge	19 th December 2019
2.	Shri Rajesh Sood, Director (T&OS)	29 th December 2017
3.	Shri Atul Ubale, Director (B&T)	05 th December 2019
4.	Shri Sanjay Kumar, Government Nominee Director	29 th January 2020
5.	CA Mavjibhai B. Sorathia, Independent Director	17 th December 2018
6.	Shri Vijay Tulshiramji Jadhao, Independent Director	03 rd July 2018
7.	Shri Pramod Kumar Panda, Independent Director	18 th October 2019

2.8 Key Management Personnel

Brief details of the Key Management Personnel of SCIL as on 1st December 2020 are as given below:

Table 11: Key Management Personnel of SCIL as on 1st December 2020

S. No.	Name	Designation	Date of Appointment
1.	Smt. Harjeet Kaur Joshi	Chairman and Managing Director	19 th December 2019
2.	Shri Rajesh Sood	Whole-Time Director	29 th December 2017
3.	Shri Atul Ubale	Whole-Time Director	05 th December 2019
4.	Shri Dipankar Haldar	ED(LA) & CS	14 th December 2001
5.	Shri L.C. Serrao	Chief Financial Officer (CFO)	05 th February 2020

2.9 Employees

Category of employees

As on 1st December 2020 there were 3,281 employees in the Company broadly divided under 2 categories:

2.9.1 Fleet employees:

This category comprises direct contract officers and regular seafarers employed on vessels. The Fleet Personnel Department recruits officers on direct contract and through manning agents by offering market related wages. As on 1st December 2020, there were 2,627 such employees on the rolls of SCIL.

2.9.2 Shore employees:

This category comprises officers and staff members employed on shore operations at head office and various projects and other offices. The Company is complying with all government guidelines as applicable from time to time in respect of reservation policy so as to empower the weaker sections of society. As on 1st December 2020 there were 654 such employees on the "rolls" including contract, retainer and trainees of SCIL.

2.10 Safety and quality control

International Safety Management ("ISM")

SCIL has introduced the Safety Management System by setting up a dedicated 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.

Safety Management System ("SMS")

SCIL has laid the foundation of SMS by recognizing that the cornerstone of good safety management is a commitment from top management, coupled with the competence, attitude and motivation of individuals at all levels.

Safety Management Certificate (SMC)

All ships of SCIL are put up for periodical/ renewal SMC audits within a set time frame and respective SMCs are accordingly endorsed.

Integrated Management System (IMS)

SCIL is now in compliance with IMS (ISO 9001:2015 – Quality Management System, ISO 14001:2015- Environmental Management System and ISO 45001:2018 – Occupational Health & Safety Management System) onboard all vessels and shore establishments. The required certifications were obtained from Indian Register Quality Systems (IRQS).

2.11 Joint Venture, Subsidiary & SPV

Over the years, the Company has entered into a few Joint Ventures, Subsidiaries and Special Purpose Vehicles. Brief details are as follows:

Table 12: Details of JV, Subsidiary & SPV

Particulars	Classification	Incorporation Date	Interest %	Status
India LNG Transport Co. (No.1) Ltd.	Joint Venture	21 st May 2001	29.08%	Operative
India LNG Transport Co. (No.2) Ltd.	Joint Venture	21 st May 2001	29.08%	Operative
India LNG Transport Co. (No.3) Ltd.	Joint Venture	05 th December 2006	26.00%	Operative
India LNG Transport Co. (No.4) Pvt. Ltd.	Joint Venture	07 th November 2013	26.00%	Operative
Inland Coastal Shipping Ltd.	Subsidiary	29 th September 2016	100.00%	Yet to Commence
Irano Hind Shipping Company (IHSC)	Joint Venture	-	49.00%	Held for Sale
SAIL SCIL Shipping Pvt. Ltd. (SSSPL)	Joint Venture	-	50.00%	Held for Sale

Joint Venture Companies

Over time, SCIL has entered into 6 JVs with select partners. Out of these, currently, 4 are operative and 2 are held for sale.

India LNG Transport Co. (ILT No.1), (ILT No.2) & (ILT No.3) Ltd.

SCIL is the first and only Indian company to enter into the highly technology oriented and sunrise sector of LNG. This was through 3 JV companies with 3 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 MMTPA of LNG for the Dahej terminal of M/s Petronet LNG Ltd. (PLL)

SCIL is the manager for these 3 companies, managing the techno-commercial operations of 3 LNG tankers.

India LNG Transport Co. (ILT No.4) Pvt. Ltd.

SCIL entered into a 4th JV formed in Singapore, with the same three Japanese companies viz. MOL, NYK & K Line along with PLL, to own and operate one 1,73,000 CBM LNG tanker for transporting 1.44 MMT of LNG primarily from Gorgon, Australia to India/ China for charterers M/s Exxon Mobil Services B.V, Netherlands.

SCIL is the manager for this company and is managing the techno-commercial operations of the tanker.

SAIL SCIL Shipping Pvt. Ltd. (SSSPL)

SAIL & SCIL co-promoted a JV, SAIL SCIL Shipping Pvt. Ltd., incorporated on 19th May 2010 primarily to cater to SAIL's shipping requirements. However, due to continued depressed freight levels, the company could not justify tonnage acquisition and both the boards of SCIL & SAIL decided to voluntarily wind up the company. The company is in process of winding up.

Irano Hind Shipping Company Ltd. (IHSC)

The decision for dissolution of the company taken by the cabinet has been reiterated by the MOPSW and steps in this regard are being taken. Determination of assets and liabilities of the company is being undertaken after which closure of the company as per the process stipulated under the Iranian Commercial Code will be achieved.

Subsidiary Company - Inland & Coastal Shipping Limited (ICSL)

During the Maritime India Summit 2016, the Inland Waterways Authority of India (IWAI) entered into an MOU with SCIL on 15th April 2016 to develop the field of domestic transport. Both parties agreed to work towards tapping the synergies of high sea shipping, coastal shipping and inland waterways to establish an integrated system of water transport across the hinterland, the coasts and high seas.

For this purpose, the SCIL board approved the formation of a dedicated subsidiary company of SCIL, based in Kolkata. The company has been named as "ICSL". The subsidiary company is working on the development of a viable business plan on this segment.

Special Purpose Vehicle Sethusamudram Corporation Ltd. (SCL)

GOI had constituted "SCL" to raise finance and to undertake activities to facilitate operation of a navigable channel from the Gulf of Mannar to the Bay of Bengal through Palk Bay (Sethusamudram Ship Channel Project). As per the government directive, this project was to be funded by way of equity contributions from various PSUs including SCIL.

As of FY 2016-17, SCIL has invested INR 50 Crore in this project.

Work stands suspended since 17th September 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 27th July 2009. Supreme Court's final hearing on the matter was scheduled on 6th April 2018. However, the hearing has been withheld indefinitely.

Circular resolution dated 11th March 2019 was passed for seeking additional grant of Rs. 115.72 crore from the Government to settle the dues of Dredging Corporation of India for the dredging works

carried out in Sethusamudram Ship Channel Project and also a proposal to MOPSW for winding up of SCL along with fund position.

2.12 Non-Core Assets

Certain non-core assets are to be hived off from SCIL and shall not form part of the Transaction, the details of which will be shared at the RFP stage.

2.13 Awards & Accolades

The Company has been consistently earning recognition and laurels for its superlative performance and other notable feats. Some of the awards and accolades earned by the Company are as follows:

- "Certificate of Appreciation" from the Nautical Institute, London, India SW Branch Awards in 2020 to
 - Capt. Rohan JN and Team OSV Colonel S P WAHI for their Rescue mission off Mumbai High.
 - Mrs. HK Joshi and Team SCIL for pivotal role in handling the crew management crisis during the pandemic.
- Recognition from National Union of Seafarers of India (NUSI) for 'employing the highest number of women seafarers on Merchant Navy Ships' in 2020.
- 'Strategic Investments' and 'HR Excellence Awards' under the Financial and Non-Financial Category respectively at '7th PSU Awards- Governance now' in 2020.
- First Prize for Best Enterprise award at the 29th & 30th National Meet of WIPS (Women in Public Sector), a tribute to Excellence in Public Enterprise Management under Navratna Category in 2019 & 2020.
- SCIL has won the Mumbai Regional Round of AIMA – 4th National Competition for Managers (NCM) in PSU Category held in 2020 Most Compassionate Employer of Indian Seafarers' at NMD Celebrations 2019.
- 'Shipping Company of the Year-' Samudra Manathan Awards from 2017-2019 under categories 'Indian Flag' in 2017 and 2019 and 'Coastal' in 2018.
- Third prize (Organization category) under 'Swachh Sarvekshan' conducted by Indian Ports Association in year 2018.
- Ranked 1st among the Key Organizations under the Swachh Bharat (Clean India) Mission 2019 – Swachh Survekshan initiative of the Ministry of Shipping (now renamed as Ministry of Ports, Shipping and Waterways) & awarded 2nd prize for Swachata Week in 2019.
- 'The Offshore Marine Awards for Owners and Operators" at Sea Trade and Maritime Awards (Middle East, Indian sub-continent & Africa) in 2018.
- 'AMVER' award by U.S. Coast Guard's (USCG) for outstanding contribution to AMVER (Automated Mutual-assistance Vessel Rescue) system ensuring quick and efficient rescue of disabled and distressed ships at sea, saving lives and ensuring continuity of shipping operations in 27th August 2018.

- “Best employer of the year (Indian Flag) - (Sapphires of the Ocean)” at Seajob Indian Anchor Awards 2018 (organized by Sealine Group) in 2018 (through Online Polling).
- Excellence award for “Contribution to women in CPSEs” in recognition of SCIL’s commitment to the principles of gender diversity and equality at the workplace reflected by the representation of women across hierarchical grades including SCIL Board at ICC’s (Indian Chamber of Commerce’s) PSE Excellence Awards in 2018.
- Mrs. H. K. Joshi, CMD, SCIL has been conferred with Sailor Today Sea Shore Awards 2019 for the category of "Woman of Substance" at Mumbai in 2019 and ‘CEO with HR Orientation’ Award at the 28th Edition of the World HRD Congress 2020.

3. Operating Performance

SCIL has been a profitable commercial venture of GoI and has an excellent track record of profitability since its inception. The Company’s annual performance has consecutively been rated excellent for a record 18 times, under the Memorandum of Understanding (MoU) signed with the GOI.

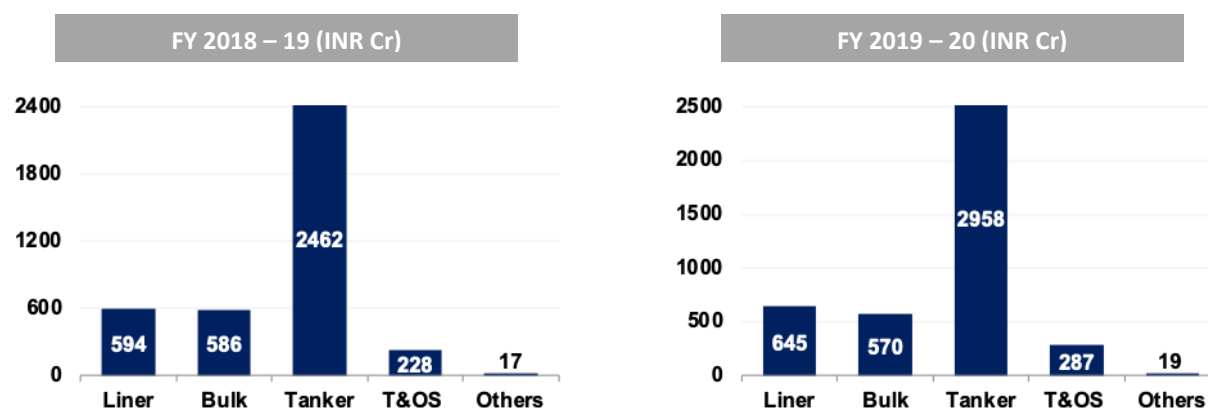
Given below is a brief analysis of the segmental performance for FY 18-19 and FY 19-20.

3.1 Segment Wise Operating Revenue

Segmental Revenues

The Segmental revenues for the Company for FY 18-19 and FY 19-20 are shown below in **figure 2**:

Figure 2: Segment Wise Operating Revenue for FY 18-19 & FY 19-20



The Segmental performance for the Company for FY 18-19 and FY 19-20 is shown below in Table 13:

Table 13: Segmental Performance of FY 18-19 & FY 19-20 (INR Cr)

Particulars	FY 18 – 19			FY 19 – 20		
	Operating Revenues	Operating expenses	EBIT	Operating Revenues	Operating expenses	EBIT
Liner	594	684	-90	645	776	-131
Bulk	586	553	33	570	583	-13
Tanker	2,462	2,269	193	2,958	2,221	737

Particulars	FY 18 – 19			FY 19 – 20		
	Operating Revenues	Operating expenses	EBIT	Operating Revenues	Operating expenses	EBIT
T&OS	228	237	-9	287	213	74
Others (MTI)	17	19	-2	19	17	2

4. Financial Performance

4.1 Consolidated Balance Sheet

Table 14: Balance Sheet of SCIL for FY 2016-2020 and H1 for FY 2020-21

Particulars (INR Crore)	2015-16 (A)*	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (A)	2020-21 (H1) (A)
ASSETS						
Non-Current Assets						
a) Property, plant and equipment	11,826.75	11,410.62	11,347.48	11,116.56	10,627.64	10,353.20
b) Capital work-in-progress	-	27.33	7.81	7.63	2.84	26.61
c) Other Intangible Assets	0.46	0.06	0.52	2.53	1.46	0.93
d) Investments accounted for using the accounting method	41.38	135.03	211.39	275.71	294.73	297.26
e) Right of use asset	-	-	-	-	24.03	22.52
f) Financial Assets						
i. Investments	0.99	0.99	1.18	3.50	3.62	3.62
ii. Loans	16.89	17.08	18.85	20.36	224.74	227.32
iii. Other financial assets	0.91	0.32	0.91	0.07	0.07	0.07
g) Income Tax Assets (Net)	131.07	130.31	148.79	155.62	201.12	213.08
h) Other Non- Current Assets	60.35	91.08	79.21	81.80	96.35	108.11
Total Non-Current Assets	12,078.80	11,812.82	11,816.14	11,663.78	11,476.60	11,252.72
Current Assets						
a) Inventories	85.58	115.21	116.53	159.79	131.38	121.66
b) Financial Assets						
i. Investments	37.46	-	56.05	-	-	20.76
ii. Trade receivables	681.83	658.70	662.64	598.92	606.23	737.17
iii. Cash & Cash equivalent	496.82	571.27	241.79	95.38	244.78	84.65
iv. Bank balance other than (iii) above	788.64	804.42	869.57	902.82	693.04	871.77
v. Loans	288.78	267.38	236.18	223.81	7.91	1.80
vi. Other financial assets	102.28	169.57	318.68	476.67	563.12	232.07
c) Other current assets	197.34	142.05	188.38	235.45	195.47	180.82
d) Assets classified as held for sale	0.97	7.13	0.28	0.07	0.07	0.07
Total Current Assets	2,679.70	2,735.73	2,690.10	2,692.91	2,442.00	2,250.77
TOTAL ASSETS	14,758.50	14,548.55	14,506.24	14,356.69	13,918.60	13,503.49
EQUITY AND LIABILITIES						
Equity						
a) Equity Share Capital	465.80	465.80	465.80	465.80	465.80	465.80
b) Other Equity	6,230.40	6,428.31	6,769.45	6,717.43	7,017.86	7,457.76
Total Equity	6,696.20	6,894.11	7,235.25	7,183.23	7,483.66	7,923.56
Non-Current Liabilities						
a) Financial Liabilities						
i. Borrowings	4,556.19	3,077.63	3,306.57	2,526.66	1,677.38	1,725.37
ii. Other Financial Liabilities	0.09	0.38	0.94	0.41	0.25	0.27
iii. Lease Liabilities	-	-	-	-	23.95	23.21
b) Provisions	145.59	85.74	90.04	63.56	64.97	63.12

Particulars (INR Crore)	2015-16 (A)*	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (A)	2020-21 (H1) (A)
c) Deferred Tax Liabilities (Net)	394.47	388.22	103.95	91.53	75.31	65.57
Total Non-Current Liabilities	5,096.34	3,551.97	3,501.50	2,682.16	1,841.86	1,877.54
Current Liabilities						
a) Financial Liabilities						
i. Borrowings	-	974.20	1,274.41	1,587.48	1,986.42	1,760.08
ii. Lease Liabilities	-	-	-	-	2.09	2.14
iii. Trade Payables						
1. Total outstanding dues of micro enterprises and small enterprises	5.15	15.85	25.79	5.45	6.29	9.87
2. Total outstanding dues of creditors other than micro enterprises and small Enterprises	1,093.22	1,135.71	957.87	1,267.25	949.31	765.84
iv. Other Financial Liabilities	1,452.73	1,601.48	1,156.71	1,316.19	1,293.96	804.14
b) Other Current Liabilities	158.76	161.95	152.59	98.59	121.48	129.38
c) Provisions	46.40	9.68	9.32	11.30	10.07	12.19
d) Current Tax Liabilities (Net)	26.14	11.37	-	-	-	-
e) Liabilities directly associated with assets classified as held for sale	183.56	192.23	192.80	205.04	223.46	218.75
Total Current Liabilities	2,965.96	4,102.47	3,769.49	4,491.30	4,593.08	3,702.39
TOTAL LIABILITIES	8,062.30	7,654.44	7,270.99	7,173.46	6,434.94	5,579.93
TOTAL EQUITY AND LIABILITIES	14,758.50	14,548.55	14,506.24	14,356.69	13,918.60	13,503.49

*(A)- Audited

Source: Company's Annual Reports for FY 2016-2020 and published results for FY 2020-21 (H1)

4.2 Consolidated Profit & Loss Statement

Table 15: Profit & Loss Statement of SCIL for FY 2016-2020 and H1 for FY 2020-21

Particulars (INR Crore)	2015-16 (A)*	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (A)	2020-21 (H1) (A)
Revenue from Operations	4,049.88	3,447.35	3,469.47	3,872.85	4,425.44	1,986.67
Other Income	164.79	145.23	148.00	232.24	242.95	68.63
Total Income	4,214.67	3,592.58	3,617.47	4,105.09	4,668.39	2,055.30
Expenses						
Cost of Services Rendered	2,098.76	2,177.99	2,223.81	2,532.96	2,558.25	1,014.21
Employee Benefit Expense	487.00	418.14	485.92	447.57	476.54	224.93
Finance Cost	171.87	172.15	179.79	359.05	364.13	(4.96)
Depreciation & Amortization Expense	542.25	566.07	610.25	658.46	671.27	317.76
Other Expenses	125.34	72.55	88.22	181.89	250.70	38.40
Total Expenses	3,425.22	3,406.90	3,587.99	4,179.93	4,320.89	1,590.34
Profit/(Loss) before exceptional items, shares of net profit of investments accounted for using equity method and tax	789.45	185.68	29.48	(74.84)	347.50	464.96
Share of net profit of associates and joint ventures accounted for using equity method	28.34	40.18	52.75	59.32	34.14	30.15
Profit before exceptional items and tax	817.79	225.86	82.23	(15.52)	381.64	495.11
Exceptional Items	-	-	-	-	-	-
Profit/(Loss) before tax	817.79	225.86	82.23	(15.52)	381.64	495.11
Tax Expense						
Current Tax	71.00	61.05	60.00	70.90	48.50	26.09

Particulars (INR Crore)	2015-16 (A)*	2016-17 (A)	2017-18 (A)	2018-19 (A)	2019-20 (A)	2020-21 (H1) (A)
Deferred Tax	(10.36)	(6.25)	(284.27)	(12.42)	(16.22)	(9.74)
MAT Credit Entitlement	(24.50)	(11.32)	-	(11.34)	11.34	
Tax pertaining to earlier years	-	-	-	-	1.54	
Total Tax Expense	36.14	43.48	(224.27)	47.14	45.16	16.35
Profit/(Loss) for the Period	781.65	182.38	306.50	(62.66)	336.48	478.76
Other Comprehensive Income						
Items that will not be reclassified to profit or loss:						
Remeasurements gain/(loss) of defined benefit plans	(14.81)	8.38	11.03	5.64	1.62	13.64
Share of OCI of associates and joint ventures, net of tax	(20.71)	7.17	22.52	4.99	(50.68)	(17.56)
Other comprehensive income for the period, net of tax	(35.52)	15.55	33.55	10.63	(36.06)	(3.92)
Total comprehensive income for the period	746.13	197.93	340.05	(52.03)	300.42	474.84
Earnings per equity share						
Basic Earnings per share (in Rs.)	16.78	3.92	6.58	(1.35)	7.22	10.28
Diluted earnings per share (in Rs.)	16.78	3.92	6.58	(1.35)	7.22	10.28

*(A)- Audited

Source: Company's Annual Reports for FY 2016-2020 and published results for FY 2020-21 (H1)

Note: Please note that the financial statement for FY 2015-16 is in accordance with the previously applicable Indian GAAP as compared to IND AS from FY 2015-16 onwards

5. Industry Overview

5.1 Global Industry

Shipping Industry is a vital part of the global freight transportation system. Shipping caters to global trade supply-chain, enabling transport of raw materials in bulk, import/export of food products, finished/semi-finished goods etc. The industry accounts for transporting 90% of world trade.

The Industry has witnessed large scale consolidation globally and is dominated by the following 5 players which accounted for ~65% of the world's market share.

1. A.P. Moller–Maersk Group: TEU capacity of 4.2 million (17.7% market share)
2. Mediterranean Shipping Company (MSC): 3.8 million TEU (16% market share)
3. China Ocean Shipping Company, COSCO: 2.9 million TEU (12.5% market share)
4. CMA CGM Group: 2.7 million TEU (11.4% market share)
5. Hapag-Lloyd: 1.7 million TEU (7.4% market share)

China, Korea and Japan are the largest ship-builders in the world. China and Korea are directly competing for the top place and Japan is at a distant third.

The top 5 countries in terms of cargo carrying capacity are Greece (308.8 million DWT), Japan (223.8 million DWT), China (165.4 million DWT), Germany (112 million DWT) and Singapore (104 million DWT). Germany, China and Greece own 39% of the world container carrying ship fleet.

Maritime shipping is a highly globalized industry, both in operation and ownership. About 67% of the global fleet (in tonnage) is under a Flag of Convenience. 58-60% of the vessels by share of world total

of DWT are registered in countries namely Panama, Liberia, Marshall Islands, Singapore & Hong Kong, known to offer an easier and less expensive regulation for registry of ships and relaxed labour laws.

5.2 The Industry, Segment wise

5.2.1 Crude Tanker Market

The crude tanker market saw relatively weak freight market performance in early 2019 followed by decade high rates in the second half of 2019 and early 2020. Factors that contributed to a relatively soft first half of 2019 were weak core product demand growth led by a trade war, planned (led by IMO 2020) and unplanned refinery outages and OPEC production freeze and high fleet growth.

In the second half of 2019, after the missile attack on Saudi oil facilities, a chain of events occurred which propelled crude tanker freight rates to very high levels.

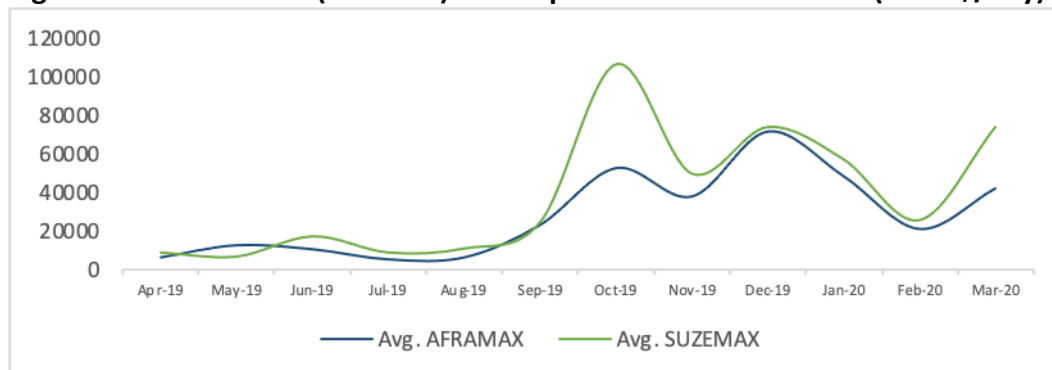
Factors that led to this strength were:

- US ban on a couple of China Ocean Shipping Company Limited (COSCO) subsidiaries, which reportedly impacted a fleet of almost 50 VLCCs
- Significant VLSFO (very-low sulphur fuel oil) floating storage build-up, even as a number of ships were undergoing scrubber retrofitting
- Pick up in Iranian and Venezuelan floating storage for their crude production
- Pick up in refinery runs especially in Asia due to new large-scale refineries coming online
- Seasonal oil demand uptick in the last quarter of 2019

In February 2020, the US ban on COSCO subsidiaries was reversed and the freight market was on a gradual downside, when a completely different set of events led the freight market significantly higher. This time it was the breakdown of OPEC production freeze pact in March and much lower oil demand due to Covid-19 lockdowns, leading to lower refinery runs, consequent contango, and the emergence of floating storage.

Figure 3 below captures the earnings of the Long Range (LR) and Mid-Range (MR) type of ships over April 2019 to March 2020 (in US \$/day, as per market data).

Figure 3: Crude Tanker (LR & MR) from April 2019 to March 2020 (in US \$/day)



5.2.2 Product Tanker Market

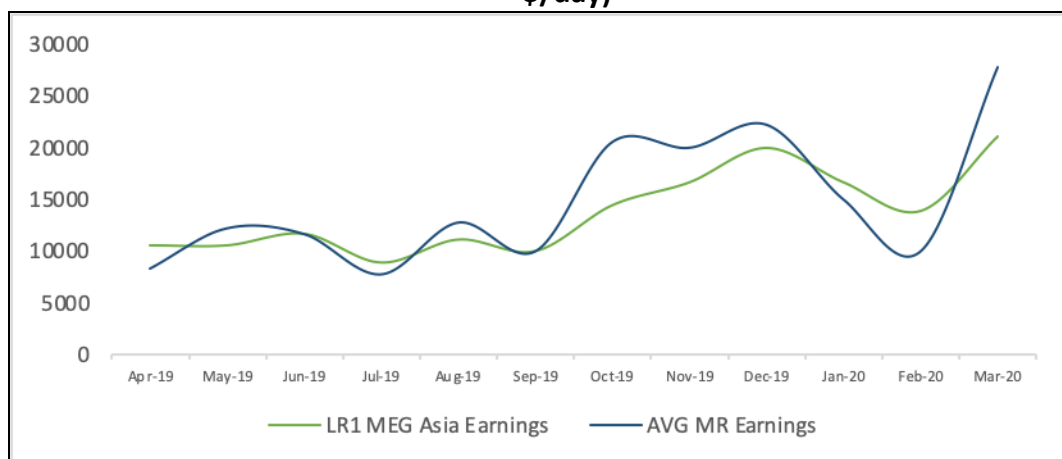
The average product tanker freight rates improved considerably in the second half of 2019 in line with the crude tankers. However, the extent of the overall improvement in freight rates clearly lagged their crude counterparts. Facing the same challenges as the crude tanker market, a couple of additional factors observed for product tankers during the year were:

- A decline in naphtha demand due to Petchem maintenance and competition from LPG
- Crude new buildings esp. VLCCs cannibalizing product cargoes on their maiden run
- Post September 2019, rates did witness a sharp rise in product tanker freight rates as well. Some of the key factors that aided this improvement in product tanker freight markets were:
 1. Significant switching of clean trading LR2s into dirty trades as the crude freight market was very strong
 2. Seasonal pick-up in demand
 3. Middle East refineries returning from outages in Q3FY20
 4. Long haul gasoil (IMO 2020 led) and jet fuel trade
 5. Scrubber retrofiting

The product tanker freight markets cooled off slightly in early 2020 due to a Covid-19 led demand slowdown and massive maintenance at MEG refineries. However, the freight markets recovered substantially in March when the excess product barrels led to congestion at ports, steep contango in prices of refined products, and the emergence of floating storage.

Figure 4 below captures the earnings of the LR & MR type of ships over April 2019 to March 2020 (in US \$/day, as per market data).

Figure 4: The Earning of Product Tanker (LR & MR) from April 2019 to March 2020 (in US \$/day)



5.2.3 Dry Bulk Carrier Markets

The dry bulk market slowly gained mid-2019 before giving up strength in early 2020. Overall, freight rates for dry bulk vessels were largely flat in 2019 vis-à-vis 2018.

Factors that contributed to the substantial market improvement observed during mid-2019 were:

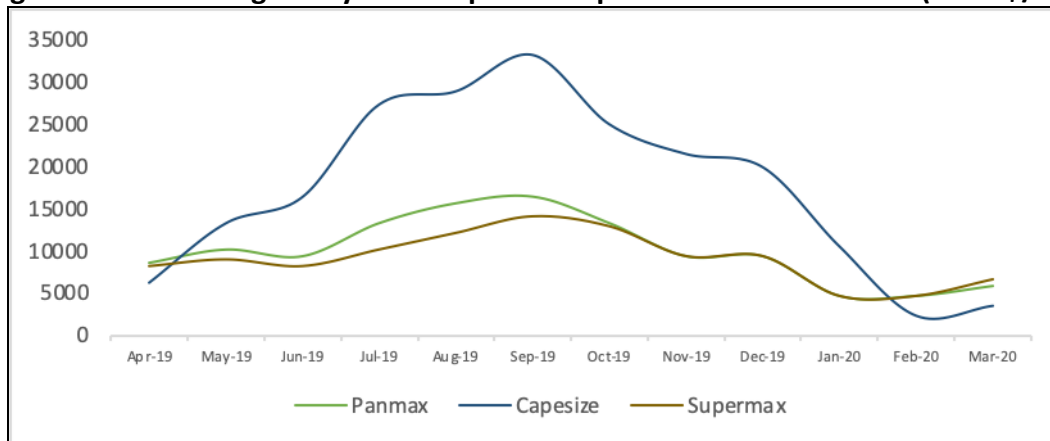
- Approval to restart Vale's 30 MTPA "Brucutu mine" led to a sudden surge of Brazilian Iron Ore exports
- Robust thermal and coking coal import demand from the Far East and SEA
- Strong bauxite cargoes from Guinea improved ton-miles
- Slow steaming and significant scrubber retrofitting projects reduced effective fleet supply

However, freight rates started correcting towards the end of 2019 and languished entirely in early 2020 as:

- Iron Ore exports came under pressure due to Vale's inability to ramp up production. Heavy rains in Brazil and Cyclone Damien in Australia compounded the impact in early 2020
- Coal import demand, which was under pressure from Chinese coal import curbs and degrowth in Indian thermal generation, completely collapsed in early 2020 with the outbreak of corona virus globally
- Minor bulk trade was battered globally due to Covid-19 related demand/supply cuts and Indonesian nickel ore ban
- High effective fleet supply – Limited scrapping and a reduction in scrubber installations

Figure 5 below captures the earnings of the Dry Bulk ships over April 2019 to March 2020 (in US \$/day, as per market data).

Figure 5: The Earning of Dry Bulk Ships from April 2019 to March 2020 (in US \$/day)



Moving forward, in the short term, overall trade growth (largely led by coal) is expected to remain weaker than last year as both demand and supply of dry bulk commodities are battered globally by the pandemic.

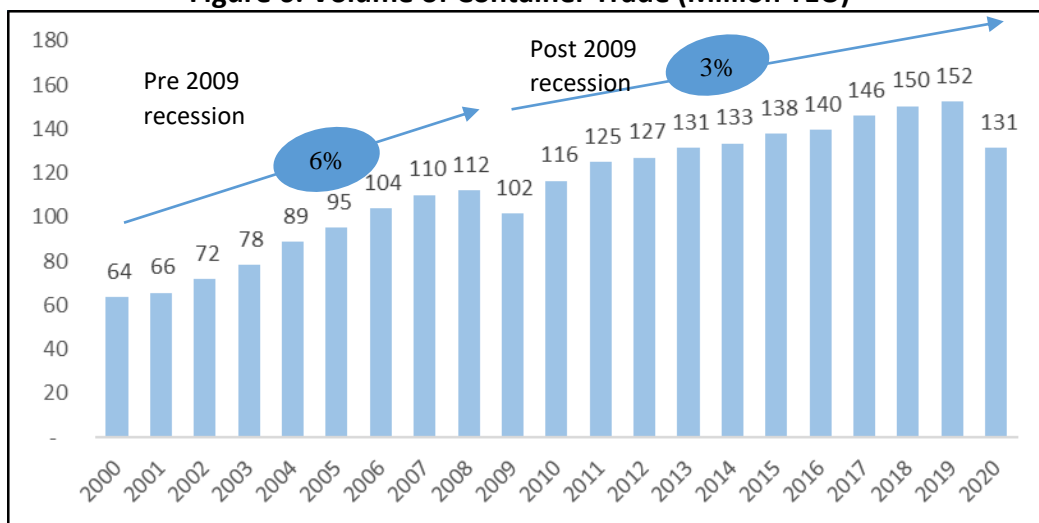
While there is a high degree of uncertainty over demand recovery (and supply of cargoes), the overall freight market in 2020 may be lower on average compared to 2019.

5.2.4 Container market

Analysis by Seabury Consulting showed that containerized trade could not achieve the growth rate it was having pre 2009 recession (6% CAGR) and grew at the rate of 3% CAGR post 2009. In 2019, already before the COVID-19 crises containerized trade grew only modestly by 1.7%. Eleven of the twelve largest container carriers have reduced their overall fleet capacity in the first half of 2020. The shipping lines reacted to lower cargo demand due to the COVID-19 pandemic, mostly by redelivering chartered tonnage to their owners.

In the near future, containerized trade is expected to decline by -14% this year, the largest year-on-year decline on record. One expects to see a recovery toward pre-COVID-19 volumes in 2021. Container trade will almost be back at 2019 levels in 2022 and is estimated to grow by ~3% after that which is similar to growth post 2009.

Figure 6: Volume of Container Trade (Million TEU)



5.3 Emerging Technological Trends within the Industry

Players in the shipping industry are increasingly taking advantage of digitalization and joint collaborative platforms and solutions enabled by new technologies and innovations, including blockchain, Internet of things, Big Data Analytics, Robotics, Cloud, Green Fuel Technology and are thus changing their business and partnership models.

5.3.1 Internet of Things

The shipping sector is increasingly harnessing data generated from satellite information and sensors linking equipment, systems and machinery to support informed decision-making related to route optimization, asset tracking, weather forecast and maintenance.

The digitalization collaboration initiative between the port of Rotterdam and IBM is helping to prepare this port to host connected ships in the future and involves installing sensors across 42 km of land and sea to collect information about traffic management at the port with to improve safety and efficiency. In March 2018, Rolls-Royce launched an intelligent awareness system that fuses multiple sensors with intelligent software to create a three-dimensional model of nearby vessels and hazards, to increase safety.

5.3.2 Use of Blockchain

Blockchain has the potential to be used to track cargo and provide end-to-end supply chain visibility; record information about vessels, including on global risks and exposure; integrate smart contracts and marine insurance policies; and digitalize and automate paper filing and documents. Such applications can help save time and reduce costs related to the clearance and movement of cargo.

In September 2017, Hyundai Merchant Marine and other members of a consortium of a pilot voyage applying blockchain that used secure paperless processes for shipment booking and cargo delivery.

Several smart contract prototypes have been launched that involve digitalizing electronic bills of lading and other trade documents, such as CargoDocs under essDOCS and Cargo X. Blockchain has been deployed for the first time in the marine insurance sector. In May 2018, some industry actors collaborated with Ernst and Young and the software security firm Guardtime to launch the world's first blockchain-based platform for marine hull insurance.

5.3.3 Autonomous Ships, Drones and Other Innovations in Shipping

Autonomous ships have the potential to provide enhanced safety and cost savings by removing the human element from certain operations. Autonomous ships could potentially be used in a wide range of operations, including salvage, oil spill response, passenger ferrying, offshore supply, towing and the carriage of cargo.

Autonomous ships will improve the safety and security of ship operations as human factor continues to have an important role in most marine incidents and casualties. Studies estimate that 75–96% of marine accidents can be attributed to human error and it reportedly accounted for ~75 % of the value of almost 15,000 marine liability insurance claims in 2011–16, equivalent to over US \$1.6 billion.

Crew costs decreases for vessels with fewer or no crew, as does the risk of piracy and hostage-taking and the respective insurance coverage rates and costs. Vessel construction costs may also be reduced, with less space required for seafarer accommodation and other amenities, which could instead be used for cargo storage. Vessel operations could also become more environmentally friendly, as new autonomous ships are designed to operate with alternate fuel sources, zero-emissions technologies and no ballast.

5.4 Regulatory Framework

5.4.1 Ministry of Ports, Shipping and Waterways (MOPSW)

In India, the MOPSW encompasses within its fold shipping and ports sectors which include Shipbuilding and Ship-repair, Major Ports, National Waterways, and Inland Water Transport. MOPSW has been entrusted with the responsibility to formulate policies and programs on these subjects and their implementation.

5.4.2 Director General of Shipping (“DG Shipping”)

The DG Shipping has the power to make rules in relation to maritime administration. The DG Shipping deals with the matters concerning implementation of shipping policy and legislations, prevention of marine pollution, promotion of maritime education and training in co-ordination with the international

maritime organization, regulation of employment and welfare of seamen development of coastal shipping, augmentation of shipping tonnage, examination and certification of merchant navy officers, supervision and control of the allied departments and officer under its administrative jurisdiction.

5.4.3 International Maritime Organisation (IMO)

Shipping is an international activity and is required to conform to various international regulations, treaties, conventions and other similar bilateral and multilateral agreements. India is a party to several conventions developed by the IMO and the United Nations Organisation and the International Labour Organization (ILO).

In the case of international purview, the International Maritime Organisation (IMO) is responsible for developing and maintaining a comprehensive regulatory framework for shipping including safety, environment, legal matters, technical co-operation, maritime security and efficiency of shipping. There are over 60 IMO legal instruments guiding regulatory development to improve safety at sea.

Following are the 2 main works undertaken by IMO that are foreseen as changes in the coming times:

1. Scoping exercise for the regulatory development for autonomous ships. The exercise focuses on the review of relevant legal instruments to ensure the safe design, construction and operation of autonomous ships and to guarantee that the legal framework provides the same levels of protection to autonomous ships as for operations with traditional ships.
2. 0.5% m/m Sulphur emission Cap: The regulation is applicable from 1st January 2020. Earlier the cap was 3.5% m/m Sulphur emission. The steps have been taken to reduce the greenhouse gases.

In the Indian context, the key regulations are The Merchant Shipping Act 1958, Marine Insurance Act, 1963, Environmental Laws and Labour Legislations.

5.4.4 The Merchant Shipping Act 1958

The Merchant Shipping Act is the principal legislation that applies to ships that are registered in India or which are required to be registered under this statute. It closely follows International Maritime Law. The Merchant Shipping Act provides for, among other things, regulations governing the transfer, mortgage and sale of ships, certification of competency of the officers, engagement and discharge of seamen, payment of wages to seamen, health and accommodation of seamen, the duties of the shipping masters, agreements with the crew, disputes between seamen and employers, inspection by shipping master of provisions, accommodation on board and a certificate of survey for passenger carrying ships. In addition, with a view to ensure safety of the vessels, the Merchant Shipping Act makes it compulsory to install lifesaving appliances, fire appliances as well as radio telegraphy, radio telephony and direction finder.

The Merchant Shipping Act also contains provisions relating to safety and space requirements of unberthed passenger ships. The statute also sets out the requirements in relation to the following, among other things, dangerous goods and grain cargoes, collisions, accidents at sea and limitation of liability, wreck and salvage, and weights and measures on board. The Merchant Shipping Act also contains special provisions for control of Indian ships and other ships engaged in coasting trade.

Registration of Indian Ships

Every Indian seagoing ship fitted with a mechanical means of propulsion (except a ship with mechanical means of propulsion of less than 15 tons net and employed solely in the coasts) is required to be registered under the Merchant Shipping Act. A ship entitled to fly the flag of a country needs to be registered in that country. A ship is not recognized as an Indian ship unless it is owned wholly by: (a) citizen of India; or (b) a company or body established by or under any Central or State legislation which has a principal place of business in India; or (c) is a duly registered or deemed to be registered cooperative society.

All Indian ships are required to obtain a license from the DG Shipping before they are taken to sea from the port or place within or outside India.

Cabotage

Ships other than Indian ships engaged in coastal trading in India are required to obtain a license from the Directorate General of Shipping prior to their engagement in the coastal trading in India. In this regard, the Directorate General of Shipping, in the year 2002, issued the Guidelines for Grant of License to Foreign-Flag Vessels (the "Charter Guidelines") laying down the process for engaging foreign vessels in the Indian exclusive economic zone of India including its territorial waters and contiguous zone.

Seamen & Apprentices

The safety and welfare of the seamen is regulated by the provisions of the Merchant Shipping Act. The Merchant Shipping Act, inter alia, contains the provisions in relation to the engagement of seamen on Indian ships and ships other than Indian ships at any port in India. Seamen are required to be registered with the Director, Seamen's Employment Office. There are prescribed rules and regulations in relation to the maintenance of discipline on board of the ships.

The Merchant Shipping Act also sets out special provisions with regard to agreements with the crew of Indian ships.

5.4.5 Marine Insurance Act, 1963

The Marine Insurance Act, 1963 ("MI Act") provides that the insurer shall undertake to indemnify the assured against the losses incidental to marine adventures. It is extended to protect the assured against any losses on inland waters or any land risk which may be incidental to any sea voyage. Further, it requires that the assured must be interested in the subject-matter at the time of the loss. In the event, the assured has no interest at the time of loss, such person could not acquire interest by any act or election after the assured person becomes aware of the loss. The MI Act provides that the assured can avail different types of insurance including voyage policy, time policy, valued or unvalued policy, floating policy by ships and others.

5.4.6 The Seamen's Provident Fund Act, 1966 and the Seamen's Provident Fund Scheme

The Seamen's Provident Fund Act, 1966 regulates, among other things, the Institution of a Seamen's Provident Fund which has been established by the GOI pursuant to the scheme framed under the said Act. The scheme provides for, among other things, matters relating to fund contribution, administration thereof, payments and withdrawals. The Act applies to any owner of a ship, his agent thereof or the master of a ship for contributing to the Seamen's Provident Fund.

5.4.7 Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (the "Territorial Waters Act")

The Territorial Waters Act empowers the GOI to extend the application of any Central Government legislation to the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India. Accordingly, the Territorial Waters Act provides for the grant by way of licenses or letter of authority by Government of India to explore and exploit resources of the continental shelf and exclusive economic zones.

5.4.8 Environmental Laws

The Environmental Protection Act, 1986, Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 provide for the prevention, control and abatement of pollution. Companies are required to obtain approvals of the relevant State Pollution Control Boards (PCBs) for emissions and discharge of effluents into the environment. The Hazardous Waste (Management and Handling) Rules, 1989 include waste oil and oil emulsions under the definition of hazardous wastes and impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste.

5.4.9 Labour Legislation

While workmen are typically entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection, employees are governed by the terms of their employment contracts. The following is an indicative list of legislations which are applicable to operations and workmen:

- The Code on Wages, 2019
- Contract Labour (Regulation & Abolition) Act, 1970
- Payment of Gratuity Act, 1972
- Employee State Insurance Act, 1948
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Workmen's Compensation Act, 1923
- Industrial Disputes Act, 1947
- Industrial Employment (Standing Orders Act), 1946

5.5 Key initiative taken by Indian Government

The Indian Government has taken several key initiatives to boost the Shipping industry in India. Some of the important ones are as follows:

- Reducing GST from 18% to 5% on bunker fuel used in Indian Flag vessels
- Allowing carriage of coastal cargo from one Indian port to another via foreign ports in Sri Lanka and Bangladesh

- Removing licensing requirement for chartering of foreign registered ships owned by citizens of India, cos. incorporated in India & Regd. Societies to encourage the coastal movement of agriculture, EXIM Transshipment containers, fertilizer, other commodities and empty containers
- Bringing parity in the tax regime of Indian seafarers employed on Indian flag ships vis-a-vis those on foreign flag ships
- Allowing shipping enterprises based in India to acquire ships abroad and flag them in the country of their convenience
- Allowing use of imported containers for carrying domestic cargo and allowing the use of locally manufactured or domesticated containers conforming to the specifications of ISO for transportation of Export-Import Cargo

5.6 COVID-19 and its Impact on the Shipping Industry

According to forecasts by the World Trade Organization, the global trade due to COVID-19 pandemic could fall between 13% and 32% in the year 2021. All regions would suffer double-digit percentage declines in trade, with exports from North America and Asia the hardest hit. Sectors with complex value chains, such as electronics and automotive products, would also see steeper falls.

McKinsey Global Institute estimates that global unconstrained trade demand could drop by as much as 13% to 22% in the second and third quarters of 2020.

With given forecast on economic activity, seaborne trade, which is directly linked with economic activity may also see a decline. However, given the divergent dynamics of the shipping industry, things may well take a different course during different time periods. At the time, countries were already within extended lockdowns and the oil market was struggling with the demand shocks, freight rates for crude oil tankers were skyrocketing, nourished by the excessive demand for tonnage and speculative play on storage. In another case, capesize market, where, despite the ongoing pandemic and general disruptions in most business activities, the average of the BCI – 5TC benchmark index has held above the US \$ 20,000/day mark over the past two months. The asymmetrical distribution in cargo availability and the strong performance in key route created a different trajectory, in sharp disconnection with general macroeconomic trends.

In the mid of August 2020, the Baltic dry index, which tracks rates for ships ferrying dry bulk commodities and reflects rates for capesize, panamax and supramax vessels, was up 3 points, or 0.2%, at 1,598, gaining for a 14th consecutive session. In the same month, China witnessed increase in iron ore by 2.16 million tonnes as compared to first week of the month. For the same week, iron ore deliveries leaving Australian ports rose 1.4 million tonnes from the prior week to 16.32 million tonnes, and this was 1.76 million tonnes higher than the same period last year.

The tanker segment also witnessed silver lining in the time of pandemic. Since the start of the Covid-19 crisis, floating storage has, together with the oil price war, caused freight rates in both the crude oil and oil product segments to spike and are still now leaving the tanker market in a much better place than other shipping segments such as containers and dry bulk. However, the collapse in global oil demand is estimated that will make itself felt in the coming time.

The container segment has shown the change in structural mechanisms governing supply/demand and pricing. Despite the decrease in global demand, the container segment is witnessing the increase in prices.

Mentioned below are the short to long term impacts of COVID-19:

Short Term Implications for Marine Trade:

- Reduced trading has significantly impacted international supply chains
- Slowdown of major ports and delay of cargo has resulted in accumulations concerns
- Reduced economic activity in retail sector likely to reduce demand for shipping and cargo turnovers
- Financial challenges for ship owners following the fall in demand for shipping
- Increase in older vessels being scrapped as an alternative to lay-up

Medium/ Long Term Implications for Marine Trade:

- Delay in re-establishing supply chain networks and logistics capabilities could lead to delay in projects and infrastructure
- Major changes in life style post – Covid may lead to major changes in business
- Potential rise in price of goods and services due to mitigation on current reliance of supply chains and more domestic production
- Certain sectors of maritime trade, such as passenger movement face a more uncertain longer-term future
- Digital and technological advancements in shipping industry

Source:

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- <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/safeguarding-our-lives-and-our-livelihoods-the-imperative-of-our-time#>
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- <https://www.hellenicshippingnews.com/iron-ore-arrivals-at-chinese-ports-rose-2-16-million-mt-on-week/>
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- *'Shipping Industry & Outlook' – Report by Care Rating*
- <https://www.ics-shipping.org/shipping-facts/shipping-and-world-trade>
- <https://www.maritimebusinessworld.com/7-largest-container-shipping-companies-in-the-world-1370h.htm>
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- *UNCTAD Review of Maritime Transport 2019*
- *IMO*

Part - B

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DEFINITIONS

Abbreviation	Meaning
A&N	Andaman & Nicobar
Affiliate	“Affiliate” with respect to any person/entity means any other person/entity which is controlled by, controlling or under common control with former. “Control” and its derivatives shall have the same meaning as in the Companies Act, 2013, provided that any person/entity which owns more than 50% of the equity shares of any other person/entity shall be deemed to be in control of the latter.
AIF	Alternative Investment Fund
BCC	Bulk Carrier Commercial
BCT	Bulk Carrier Technical
BSE	Bombay Stock Exchange
CA&B	Corporate Accounts & Budget
CBM	Cubic Meter
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CM	Chief Manager
COSCO	China Ocean Shipping Company Limited
CPSE	Central Public Sector Enterprise
Crore	1,00,00,000 or equivalent to 10 Million
CSB	Confirmed Selected Bidder
CSM & FR	Container, Services & Marketing & Freight Reconciliation
CU	Confidentiality Undertaking
CVO	Chief Vigilance Officer
DGM	Deputy General Manager
DIPAM	Department of Investment & Public Asset Management
DOF	Department of Fertilizers
DPE	Department of Public Enterprises
DPIIT	Department for Promotion of Industry and Internal Trade
DR	Data Room
DRDO	Defence Research & Development Organization
DSRV	Deep Submergence Rescue Vehicle
DWT	Deadweight Tonnage
E&P	Exploration and Production
ED	Executive Director
Eligibility Criteria	Eligibility Criteria for IP

EOI	Expression of Interest
EOI Due Date	Last date and time for submission of the EOI, as defined in Clause 1.1
F&T	Finance & Treasury
FD&D	Freight, Demurrage & Defence
FEMA	Foreign Exchange Management Act, 1999
FIFP	Foreign Investment Facilitation Portal
FIIIs	Foreign Institutional Investor
FIs	Financial Institutions
FPO	Further Public Offer
Fund	An AIF or a Foreign Investment Fund, as applicable
GM	General Manager
GMDSS	Global Maritime Distress Safety System
GOI	Government of India
GP/MR Carrier	General Purpose/Medium Range Carrier
GST	Goods and Services Tax
GT	Gross Tonnage
H&M	Hull & Machinery
H1 bidder	Highest bidder
ICSL	Inland & Coastal Shipping Limited
IEPF	Investor Education & Protection Fund
IHSC	Irano Hind Shipping Company Ltd
IMO Cargo	International Maritime Organization Cargo
IMS	Integrated Management System
INR	Indian Rupee
IP	Interested Party
IRQS	Indian Register Quality Systems
ISM	International Safety Management
ISO	International Organization for Standardization
ISPS	International Ship & Port Facility Security Code
ISRO	Indian Space Research Organization
IWAI	Inland Waterways Authority of India
JV	Joint Venture
KIOCL	Kudremukh Iron Ore Company Limited
L&L Partners	Luthra & Luthra Partners
L&P	Liner & Passenger Services Division
LA	Legal Advisor
LDT	Light Displacement Tonnage
LLP	Limited Liability Partnership

LPG	Liquefied Petroleum Gas
LTCPS & PO	Liner Technical & Coastal Passenger Services & Port Operations
ME&I	Middle East & India
MI Act	The Marine Insurance Act, 1963
MMT	Million Metric Tons
MOL	Mitsui O.S.K. Lines
MOM	Mars Orbiter Mission
MOPSW	Ministry of Ports, Shipping and Waterways
MOU	Memorandum of Understanding
MPSV	Multi-Purpose Supply Vessel
MSC	Mediterranean Shipping Company S.A
MT	Metric Ton
MTI	Maritime Training Institute
NBFC	Non-Banking Financial Company
NSE	National Stock Exchange
NUSI	National Union of Seafarers of India
NW	Net Worth
NYK	Nippon Yusen Kabushi Kaisha
ODC	Over-Dimensional Cargoes
OFS	Offer for Sale
ONGC	Oil and Natural Gas Corporation
OPEC	Organization of the Petroleum Exporting Countries
OSVs	Offshore Supply Vessels
P&I	Protection & Indemnity
P&S	Purchase & Services
PA	Public Announcement
PAC	Persons Acting in Concert
PIM	Preliminary Information Memorandum including addendum/s issued
PLL	Petronet LNG Limited
POA	Power of Attorney
PSU	Public Sector Undertaking
QIP	Qualified Interested Parties
RB & CDD	Repair Bills & Centralised Dry Dock
RBI	Reserve Bank of India
RBSA	RBSA Capital Advisors LLP
RFP	Request for Proposals
RINL	Rashtriya Ispat Nigam Limited
RP	Reserve Price
SAIL	Steel Authority of India Limited

SB&S	Ship Building & Services
SCIL	Shipping Corporation of India Limited
SEBI	Securities and Exchange Board of India
SM	Senior Manager
SMC	Safety Management Certificate
SMS	Safety Management System
SP & FPA	Shore Personnel & Fleet Personnel Accounts
SSNNL	Sardar Sarovar Narmada Nigam Limited
SSSPL	SAIL SCIL Shipping Pvt. Limited
SVC	Specialized Vessel Cell
SVC-C	Specialized Vehicle Cell-Commercial
T&Os	Technical & Offshore Services
TA	Transaction Advisor
Takeover Regulations	SEBI takeover regulations
TC	Tanker Commercial
TEU	Twenty-Foot Equivalent Unit
TT	Tanker Technical
UBO	Ultimate Beneficial Owner
UNCTAD	United Nations Conference on Trade and Development
US	United States of America
VLCC	Very Large Crude Carrier
VLSFO	Very Low Sulphur Fuel Oil

1 Transaction Process

1.1 Transaction Timelines

The Transaction Timelines shall be as follows:

Table 1: Transaction timelines

Sr. No.	Activity	Date	Time (IST)
1	Publication of Advertisement and Release of PIM	22 nd December 2020	NA
2	Last date and time for submission of written queries on PIM	23 rd January 2021	17:00
3	Last date and time ("EOI Due Date") for EOI's submission*	13 th February 2021	17:00

* If EOI is submitted via e-mail then the due date for hard copy submission is 01st March 2021

The above dates may change at the discretion of GOI and the detailed dates and schedule for subsequent activities shall be provided in RFP.

GOI, SCIL and the TA shall bear no responsibility for non-receipt of EOIs/any other correspondence sent by post/e-mail/courier/fax.

The following activities shall be carried out post submission of EOI as part of the process:

- I. **Shortlisting of Qualified Interested Parties ("QIP")** – EOIs submitted by IPs shall be evaluated as per the criteria laid out in this PIM. The decision regarding shortlisting shall be communicated to the respective IPs by TA.
- II. **Issuance of RFP and draft definitive agreements**– The RFP, draft definitive agreements including a draft of the SPA shall be shared with QIPs via the Data Room ("DR").
- III. **Access to DR and Due-diligence** – The QIPs may carry out due-diligence based on information shared in the DR. Any queries or requests for further information shall be entertained depending on the nature of information requested. QIPs may on request be allowed a physical inspection of some of the vessels subject to the availability of the vessel at a particular location and also at the sole discretion of GOI. The cost and logistics of such inspection shall be borne by the individual QIP.
- IV. **Submission of Financial Bids** – QIPs shall submit their respective bid as per details provided in the RFP.
- V. **Setting up of Reserve Price** – The GOI shall set up the reserve price for the Transaction after the receipt of the bids, but prior to opening of the bids in accordance with DIPAM Guidelines. Subject to DIPAM Guidelines, the reserve price shall be confidential and shall not be known to bidders.

- VI. **Bid Evaluation & Government Approval** – GOI shall evaluate the bids and approve the **Highest Bidder (“H1 Bidder”)** which shall be called the **Confirmed Selected Bidder (“CSB”)**. The CSB for all purposes may include either a sole bidder, Consortium Members or Parent investing through the SPV as the case maybe.
- VII. **Security Clearance** – Necessary security clearance shall be taken as per the details and requirements communicated to the QIP at the time of the RFP.
- VIII. **Execution of SPA and draft definitive agreements** – Execution of definitive agreements including Share Purchase Agreement (“SPA”) as may be required between the GOI, SCIL, the CSB, Consortium Members, and Parent of CSB, as the case may be.
- IX. **Approvals of statutory authorities** – All requisite approvals from statutory / regulatory authorities to be obtained by CSB or the Consortium Members, as the case may be.
- X. **Open Offer** – CSB is required to make an open offer to public shareholders to acquire minimum of 26% shares of SCIL. The CSB will not be allowed to make the open offer conditional on any minimum level of acceptance. The manner in which the open offer process will be undertaken (including escrow requirements) along with other details will be provided in the RFP.
- XI. **Payment of Consideration and Transfer of Shares** – This shall take place upon obtaining the necessary approvals including completion of the open offer. The details relating to payment of consideration and transfer of shares will be mentioned in the RFP.

2 Information for Interested Parties (IPs)

2.1. General Restrictions

IP / Consortium Member and the Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the Lead Member for the purpose of fulfilling the Financial Criteria) should not have been subjected to punishment for any criminal act, must not have been convicted by a court of law or have any adverse order passed against it by any other regulatory authority in any matter involving a grave offence that outrages the moral sense of community or which casts a doubt on its ability to participate in the Transaction.

Further, such IP / Consortium Member/ its/their directors or any of its/their respective Subsidiaries, Associate Companies, or any of its/their Promoters or Promoter Group members should not have any charge sheet filed against them by any agency of GOI or any court of law, which involves a matter concerning security and integrity of India or any other sovereign state. The mere fact that an appeal against any such order mentioned above is pending in any court of law or any regulatory authority will not dilute the disqualification.

Additionally, the IP / Consortium Member and its/their respective Subsidiaries and Associate Companies thereof and Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the IP/Lead Member for the purpose of fulfilling the Financial Criteria); should not be party to any existing material disputes or legal proceedings by or against SCIL or its directors in capacity as directors of SCIL, which proceeding may be prejudiced by the participation of the IP or any Consortium Member in the selection process of the Transaction.

For avoidance of doubt, only a sole bidder and in case of a Consortium, only the Lead Member of the Consortium shall be permitted to rely on the Net Worth of its Parent for the purpose of fulfilling the Financial Criteria.

2.2. Eligibility Criteria

The primary eligibility criteria for Eligible Entities is as mentioned below:

- a) Any private limited company or public limited company registered under (Indian) Companies Act 1956 or 2013, Limited Liability Partnership (LLP) or SEBI registered Alternative Investment Fund (AIF), or a company/a fund incorporated outside India, which is eligible to invest in India under the laws of India (subject to such parties obtaining all statutory approvals from GOI/DPIIT/FIFP/RBI etc. by themselves) are eligible to bid either as a sole bidder or as a part of a consortium.
- b) Management/ Employees of SCIL, who intend to participate in the Transaction, will be considered in accordance with the guidelines issued by DIPAM as per **Annexure XV** (DIPAM OM No: No.4/38/2002/DD-II).
 - Employees are permitted to participate in the Transaction either (a) directly and independently; or (b) by forming of a Consortium. Participating employees shall be subject to the same terms and conditions, process, instruction, criteria disqualifications etc. In addition to the criteria/documents for employees, such employees shall be required to submit the undertakings and all other documents as are required by the IP or any Consortium Member and meet the Net Worth and other Eligibility Criteria/qualification/disqualification conditions as mentioned in this document.
 - In case of an employee bid, Financial Criteria shall continue to be applicable, subject to extant guidelines pertaining to employee bids. The Net Worth of each individual employee participating in the bid will have to be certified by a practicing chartered accountant as of a date not earlier than 3 months from the date of the EOI. In case a bank / venture capitalist / financial institution is participating in the employee bid, Net Worth for such bank / venture capitalist / financial institution will be computed as elaborated hereinafter.
 - Employees shall be required to incorporate an entity to complete the Transaction. The entity may be incorporated as a private limited company or public limited company registered under (Indian) Companies Act, 1956 or 2013 or a LLP registered under the (Indian) Limited Liability Partnership Act, 2008. The entity formed by employees would be required to make 10% contribution towards the financial bid.
 - For the purpose of determining whether the employee bid meets the Financial Criteria stipulated, the sum of the individual Net Worth of each participating employee and bank / venture capitalist / financial institution shall be considered.
 - The forms and formats to be submitted by the employees, in case of direct employee participation shall be the same as that of a sole bidder mentioned in this document. The forms and format to be submitted by the employees and Consortium Member of employee Consortium, in case of employees participating through an employee Consortium, shall be the same as that of a Consortium bidder.

- Each form and EOI submitted by employees shall be accompanied by a duly executed power of attorney where employees forming part of such participation shall appoint one participating employee to be their lawful attorney for submission of EOI and connected documents and be the lawful attorney of other participating employees. The format of the power of attorney is annexed as **Annexure IX**
- c) CPSEs and Central Government owned cooperative societies (i.e. where government ownership is 51% or more) are not eligible to participate in the Transaction. (DIPAM OM No: 4(32)/2002-MoDI dated 18.09.2002).
- d) An IP, which is required to prepare a profit & loss account, must have reported positive earnings before interest, tax, depreciation, and amortisation (EBITDA) in at least 3 (three) out of the last 5 (five) financial years.
- e) In case IP is a newly incorporated entity, Net Worth and EBITDA of the Parent shall be counted by the IP for the purpose of fulfilling the Financial Criteria.
- f) In the event that the IP is a sole bidder, and has come into existence as a result of a merger/ demerger/ amalgamation of 2 or more entities, the sum of the EBITDA of such entities should be positive in 3 (three) out of the last 5 (five) financial years.
- g) In the event that the IP is a Consortium or a Special Purpose Vehicle, all the Consortium Members must have positive EBITDA in at least 3 (three) out of the last 5 (five) financial years.
- h) The ultimate beneficial owner for any IP should not be the same as that of any other IP or of any Consortium Member. In case of a Consortium, the ultimate beneficial owner of any member of the Consortium should not be the same as that of any member of any other Consortium or that of any sole bidder. In case of IPs who are funds, ultimate beneficial owner would mean the investment management entity which manages the investments of the fund and not the investors who have invested in the fund.

2.2.1 Definitions

Capitalized terms defined herein shall bear the meaning ascribed thereto in this PIM. Additionally, in this PIM, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings:

“Alternative Investment Funds (AIFs)”: shall mean a SEBI registered AIF, private equity funds or debt funds.

“Associate Company”: shall have the same meaning as defined under the Companies Act, 2013, as amended from time to time

“Body Corporate”: shall mean a body corporate incorporated outside India, which is eligible to invest in India under the laws of India (subject to all the statutory approvals sought from GOI/ FIFP/ DPIIT/ RBI/ FEMA etc.)

“Consortium”: shall refer to a group of Eligible Entities that have collectively submitted an EOI in accordance with the provisions of this EOI Request and pursuant to a consortium agreement entered into amongst them, and includes an employee consortium.

"Consortium Member(s)": means an Eligible Entity participating in the Transaction as part of a Consortium

"EBITDA": shall mean the respective IP's earnings, before interest expenses, taxes, depreciation and amortization. The exceptional /non-recurring items and the director's remuneration will **NOT** be added back to EBITDA for the purpose of EBITDA calculation

Exceptional items include:

- Profit or loss arises on the disposal of the fixed asset
- Abnormal losses on long term contracts
- Amount received in settlement of insurance claims
- Write off of expenditure capitalized on intangible assets other than amortization
- Profits or loss arising out of the foreign currency transactions and translations, unless such transactions are the part of main business operations
- Sale of investment in Subsidiary and Associate companies
- Other Income not forming a part of business income

"Governmental Authority: Wherever applicable shall mean and include:

- a. the Government of India or the Government of any State or other political subdivision thereof in India;
- b. any other governmental or quasi-governmental or statutory or regulatory authority, agency, department, board, commission, or instrumentality of India or of any state or political subdivision thereof including without limitation the Foreign Investment Promotion Board and the Reserve Bank of India; or
- c. any court, tribunal, judicial or quasi-judicial authority of competent jurisdiction in India or any arbitration tribunal (including a sole arbitrator).

"Eligible Entity": shall mean the following domestic or international entity(ies), eligible to participate in this bid process (as defined in **Clause 2.2 of Part B of the PIM**)

"Financial Year": shall mean twelve (12) months' period. For example, in India, it is period starting from 1st April of a year and ending on 31st March of the immediate succeeding year

"Indian Company": shall mean any limited company (private or public) registered under the Companies Act 1956 or 2013 (India).

"Interested Party" and/or "IP": shall mean an Eligible Entity, submitting the EOI, either independently or collectively as a Consortium. For avoidance of doubt the term IP will also include collectively all Consortium Members and/or any SPV incorporated by the Consortium/IP. Any reference to an Interested Party shall include its successors and permitted assigns, as the context may require.

"Lead Member": shall mean such Consortium Member holding at least 50.01% equity shareholding on a fully diluted basis (i.e. holding at least 50.01% of in the equity shareholding on a fully diluted basis of the Consortium SPV) and is designated as Lead Member as per the Consortium Agreement executed

among all the Consortium Members. Such Consortium Member shall also strictly abide with the Net Worth criterion as mentioned in **Clause 2.2.2**

Limited Liability Partnership" / "LLP": shall mean a Limited Liability Partnership ("LLP") set up under Limited Liability Partnership Act 2008 (India).

"Management/ Employees": shall mean the existing management and/or permanent employees of SCIL participating in this Transaction directly or by forming a consortium (along with a bank, financial investor, financial institution) and will be considered in accordance with DIPAM guidelines as referred to under **Clause 2.2 (b)** above and also forming part of **Annexure XV**.

"Net Worth": shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but will not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

In case of consolidated financials, non-controlling interest ("NCI") shall be included in the aforesaid definition of "Net Worth" for determining Consolidated Net Worth based on the consolidated financial statements. However, to the extent the non-controlling interest includes any reserves created out of revaluation of assets, write back of depreciation and amalgamation, the same shall be excluded.

For LLPs, Net Worth shall mean aggregate value of the partner contribution and all reserves created out of the profits, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but will not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

For avoidance of doubt, it is clarified that the Net Worth of a sole bidder will be considered on a consolidated basis. If a sole bidder is found to be satisfying net worth criteria on the basis of its Parent's net worth, the consolidated net worth of its Parent will be considered.

For funds (including AIFs) net worth shall be considered as 0.25 times of assets under management (AUM) or 100% of committed capital. For SEBI registered Alternative Investment Fund (AIF) Net Worth shall mean maximum permissible investment limit for that particular AIF (as per SEBI (Alternative Investment Fund) Regulations, 2012) in a single investee entity, subject to meeting the Eligibility Criteria of INR 2000 Cr.

Overseas Corporate Bodies ("OCB"): shall mean a company, partnership firm, and other corporate body owned directly or indirectly to the extent of at least 60% by Non-Resident Indians and includes overseas trust in which not less than 60% beneficial interest is held directly or indirectly by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under Foreign Exchange Management Regulation Act, 1999 (FEMA).

“Parent”: in relation to an Eligible Entity means the holding company (as defined in the (Indian) Companies Act, 2013) of the Eligible Entity or the company holding at least 51% equity shareholding on a fully diluted basis in the Eligible Entity or holding at least 51% interest in case of an LLP.

“Promoters and Promoter Group”: Wherever applicable, the term ‘Promoter’ shall have the same meaning as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the term ‘Promoter Group’ shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

“Subsidiary” or “Subsidiaries”: shall have the same meaning as defined under the Companies Act, 2013, as amended from time to time.

SPV: shall mean the special purpose vehicle incorporated as an investment entity and defined as an Eligible Entity for the Transaction.

Transaction: for the purpose of this document shall mean transfer of 63.75% stake owned by the GOI in SCIL along with the transfer of its management and control

“Wilful Defaulter”: shall mean an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

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2.2.2 Financial Criteria

For submitting the EOI and for being considered for subsequent qualification for **Stage II** of the Transaction, the IP shall satisfy the following Financial Criteria:

Particulars	Company or LLP/ Body Corporate/ Employees	Funds	Equity Participation (Consortium)
Minimum Net Worth / AUM criteria, committed capital criteria whichever applicable (in INR Cr) as per latest audited financial statement	INR 2,000.00 Cr Net Worth: This criterion may be satisfied either by the IP or by the entity into which the accounts of IP are consolidated	INR 2,000.00 Cr 0.25 times of assets under management or 100% of committed capital.	<ol style="list-style-type: none"> 1. The aggregate Net Worth of the Consortium should be INR 2,000.00 Cr 2. the Lead Member should have a minimum Net Worth of INR 1001.00 Cr 3. The other Consortium Member(s) should have a positive Net Worth
Profitability Criteria, if any	Positive EBITDA in at least 3 (three) out of the last 5 (five) financial years	NA	Positive EBITDA in at least 3 (three) out of the last 5 (five) financial years for all the members in the consortium.

2.2.3 Sole Bidder:

As enumerated in the above Table, if the acquirer is a sole bidder, the following Eligibility Criteria shall hold good:

- i. A minimum Net Worth of INR 2,000.00 Cr as on 31st March 2020 and which shall be applicable till the time, the Transaction is consummated or such other period that may be disclosed at the RFP stage.
- ii. A positive EBITDA in (3) three of last (5) five financial years. The last financial year to be considered for this purpose shall be the year ended 31st December 2019 or thereafter.
- iii. Net Worth of the Parent, if applicable, shall be considered to calculate the Net Worth of the sole bidder.

If the acquirer is an employee, then (Indian) SPV is compulsorily to be formed & if the acquirer is an IP other than employee, then (Indian or Overseas) SPV is permissible.

This Net Worth criterion may be satisfied either by the IP or by the entity into which the accounts of the IP are consolidated. All conditions applicable to the IP, including the criteria for qualification and disqualification, shall also apply to such entity. In case, an IP is satisfying the Eligibility Criteria based

on the Net Worth of the entity into which the accounts of the IP are consolidated, the criteria for qualification and disqualification shall also be applicable to such entity apart from the IP and an undertaking from such entity shall also be required in the format annexed as **Annexure X**. Further, such entity is required to submit the Affidavit for Certification of Documents in the format annexed as **Annexure III** and Request for Qualification in the format annexed as **Annexure IV**.

Certificates

Net Worth must be calculated on the basis of the latest audited financial statements of an IP (and/or its Parent entity, as the case maybe) which shall be as of a date as on 31st December 2019 or thereafter. In case the latest audited annual accounts of an IP (and/or its Parent entity, as the case maybe) are not available, then the IP shall submit a certificate from its statutory auditor or a reputed, independent, practising chartered accountant (and/or of its Parent entity, as the case maybe) certifying the Net Worth as of a date as on 31st December 2019 or thereafter along with the methodology used for calculating such Net Worth.

For funds, a certificate from statutory auditor or a reputed, independent, practising chartered accountant certifying AUM/committed capital. For AIFs, a certificate from the statutory auditor or a reputed, independent, practising chartered accountant certifying maximum permissible investment shall be submitted where the financial statements are expressed in a currency other than Indian Rupee, the eligible amount as described above shall be computed by taking the equivalent Indian Rupee at the exchange rates (reference rate as published by Financial Benchmarks India Pvt. Ltd. or any other authentic data source) prevailing on the date of financial statement.

2.2.4 Bid as a Consortium

The Consortium must satisfy the following conditions:

1. The Consortium shall not have more than one (1) lead member (the "Lead Member"). The Lead Member of the Consortium should have minimum equity contribution of (fifty point zero one percentage/ 50.01%), on a fully diluted basis.
2. Consortium Member, who is not a Lead Member, should have a minimum equity contribution of (ten point zero percentage / 10%) on a fully diluted basis.
3. The EBIDTA of each Consortium Member should meet the minimum EBIDTA criterion mentioned in **Clause 2.2.2** "Financial Criteria" above and be positive in 3 of last 5 financial years. The last financial year to be considered for this purpose shall be the year ended 31st December 2019 or thereafter.
4. The combined / cumulative Net Worth of the Consortium should meet the minimum Net Worth criterion mentioned in **Clause 2.2.2** above and be a minimum of INR 2,000 Cr as on 31st March 2020 and which shall be applicable till the time the Transaction is consummated or such other period that may be disclosed at the RFP stage. The Net Worth of the Consortium shall be calculated as follows:

Net Worth of the Consortium = [(Net Worth of Lead Member) + (Net Worth of member 2) + (Net Worth of member 3) + (Net Worth of member 4)], as applicable

5. The Net Worth of the Lead Member should satisfy the minimum Net Worth criterion as per **Clause 2.2.2** and be a minimum of INR 1,001 Cr as on 31st March 2020 and which shall be applicable till the

time the Transaction is consummated or such other period that may be disclosed at the RFP stage. The Net Worth of Lead Member will be tested as follows:

Net Worth of Lead Member should be greater than or equal to (minimum Net Worth INR 2000 Cr) * (percent shareholding of Lead Member in the consortium).

The Net Worth of the other Consortium Members (member(s) who is not a lead) must be positive.

6. In case a Consortium is shortlisted in EOI process and subsequently selected as the CSB, it shall be required to incorporate an Eligible Entity (“**Investment Vehicle**”) at any time after submission of EOI but prior to signing of the SPA which shall enter into definitive agreements. The shareholding of the Consortium Members in the Investment Vehicle shall be same as the shareholding of the Consortium Members in the Consortium. The Lead Member shall be the largest shareholder of such Investment vehicle with a minimum 50.01% shareholding.
7. The Lead Member shall be responsible for all matters relating to the Transaction. For the avoidance of doubt, Lead Member shall cause the consortium and the Investment Vehicle to fulfil all of their obligations in respect of the Transaction and under all agreements entered into by them. The Lead Member therefore shall be liable for any failure or breach by the consortium or the Investment Vehicle in respect thereof.
8. All the Consortium Members shall be jointly responsible and liable for the consortium to fulfil all of its obligations in respect of the EOI and the Transaction. The Lead Member shall, additionally, be severally liable and responsible for the foregoing.
9. The Lead Member cannot be changed during the course of Transaction.
10. A Consortium Member cannot participate simultaneously as a part of another consortium or as a sole bidder.
11. Change in Consortium is permitted as per the following conditions. Change may include addition of a new Consortium Member, removal of a Member or change in shareholding of Consortium Member(s):
 - a) A change in Consortium will be allowed only once during the Transaction within 21 days from the date of issue of RFP and in accordance with the terms set forth in the RFP. However, under no circumstance shall the Consortium allowed to be changed once the price bid has been submitted.
 - b) In the case where two sole bidders have been qualified based on the EOI submitted by each of the sole bidders, the formation of a Consortium by these two sole bidders shall not be permitted. Similarly, in case two Consortia are qualified based on the EOI submitted, then consolidation of these two consortia into a single Consortium shall not be permitted.
 - c) The IP shall have to apply for such change to the TA. The TA post approval from GOI may accept such a request for change to such a Consortium subject to new Consortium Member meeting the Eligibility Criteria and the following:
 - I. The change shall be permitted only once per Consortium.
 - II. No change in Lead Member shall be allowed.
 - III. Jumping from one consortium to another shall not be permitted.

- IV. The changed Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM.
- V. The Consortium Agreement as set out in the PIM will need to be re-executed and all relevant documents/ undertakings for the new member of the Consortium shall be provided.

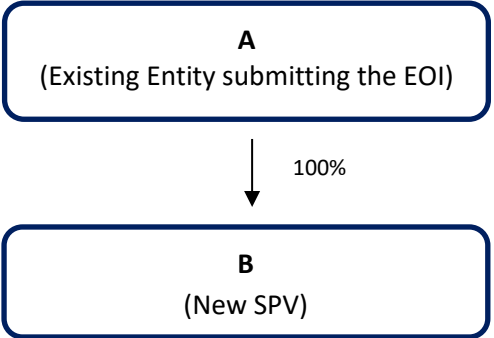
Execution of SPA by IP / Investment Vehicle

- a) An IP, which is a sole bidder, can form a 100% Subsidiary as an Investment Vehicle for purposes of the Transaction. The Investment Vehicle can be formed at any time after submission of EOI but prior to signing of the SPA. Both the IP and the Investment Vehicle will have to sign the SPA in case IP is selected as the strategic investor. The Eligibility Criteria will need to be satisfied by the IP, and each of the IP and the Investment Vehicle will have to ensure that it is not disqualified as per the criteria listed for disqualification.
- b) If an IP satisfies the Net Worth criterion on the basis of the Net Worth of its Parent, then the IP and the Parent both will have to sign the SPA. In case if such IP forms an Investment Vehicle as specified in **Clause (a)** (above) for the Transaction, then the IP, its Parent and the Investment Vehicle all three will have to sign the SPA. The Net Worth criterion shall be met by the entity into which the accounts of the IP are consolidated (Parent) while all the other Eligibility Criteria should be satisfied by the IP. Each of these entities i.e. the Parent, IP and the Investment Vehicle will have to ensure that it is not disqualified as per the criteria listed for disqualification.
- c) An IP submitting the EOI cannot be replaced by another Subsidiary of its Parent or an Investment Vehicle created by its Parent at any stage of the Transaction.

Some illustrative examples of the above are as follows:

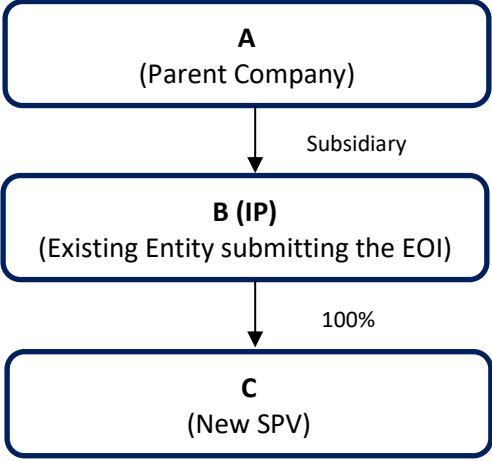
Scenario I

An IP, say A, which has submitted the EOI and has qualified as a QIP, can form a wholly owned subsidiary “B” post submission of EOI but prior to signing the SPA, as the SPV for the purpose of acquiring GOI’s Stake in SCIL. In such case, both A and B will have to sign the SPA

Structure	Permissibility	SPA
 <p style="text-align: center;">A (Existing Entity submitting the EOI)</p> <p style="text-align: center;">↓ 100%</p> <p style="text-align: center;">B (New SPV)</p>	Permissible	SPA to be signed by both A and B

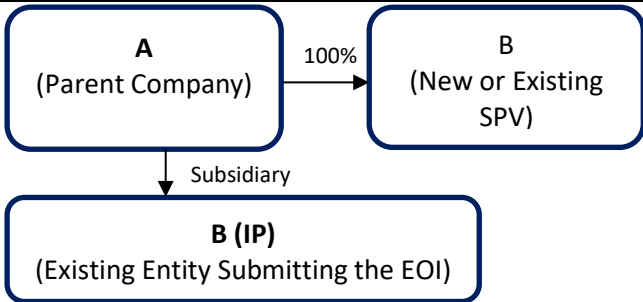
Scenario II

In case a company A has an existing subsidiary B, which qualifies on the basis of the net worth of A and submits the EOI as the IP, then B can incorporate a wholly owned subsidiary- C post submission of EOI but prior to signing the SPA, as the Investment Vehicle for acquiring GOI's Stake in SCIL. In such case, all the three entities A, B and C will have to sign the SPA.

Structure	Permissibility	SPA
 <pre> graph TD A["A (Parent Company)"] -- Subsidiary --> B["B (IP) (Existing Entity submitting the EOI)"] B -- 100% --> C["C (New SPV)"] </pre>	Permissible	SPA to be signed by A, B and C.

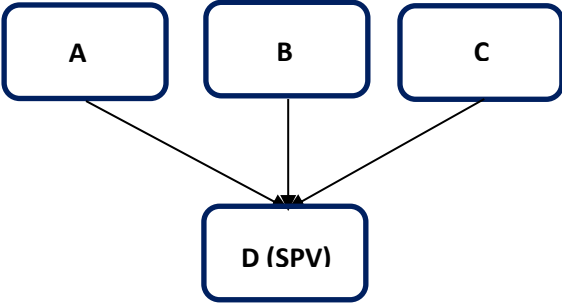
Scenario III

In case a Parent company A has a subsidiary B, which submits the EOI as an IP, and A wishes to replace B with another Subsidiary C (whether existing or newly incorporated) post submission of EOI but prior to signing the SPA as the SPV for acquisition of GOI's Stake in SCIL, the same is **not** permissible.

Structure	Permissibility	SPA
 <pre> graph TD A["A (Parent Company)"] -- Subsidiary --> B_IP["B (IP) (Existing Entity Submitting the EOI)"] A -- 100% --> B_SPV["B (New or Existing SPV)"] </pre>	Not Permissible	NA

Scenario IV

In case of bid by a Consortium, the Consortium members must form an SPV after the submission of the EOI but prior to signing of SPA. The share-holding of the members in SPV shall be same as the proportion of share in the Consortium.

Structure	Permissibility	SPA
	Allowed	A, B, C and D shall have to sign the SPA

2.3. Lock-in of Shares

The CSB could be required to undertake certain obligations relating to lock-in of shares acquired in the Transaction and / or shareholding of Consortium Members in the Investment Vehicle. These conditions, and those relating to the respective responsibilities and liabilities of the CSB and the Consortium Member (if any), shall be specified in the RFP / SPA.

2.4. Other Restrictions

In cases where the IP / Lead Member in a Consortium is relying on the financial strength of its Parent to meet the Financial Criteria, the Parent may be required to comply with certain lock in requirements. These requirements shall be specified in the RFP / SPA.

As specified in the RFP/SPA, the CSB could also be required to undertake obligations relating to certain matters such as employee protection, retirement policy including VRS, asset stripping, business continuity, lock-in of the shares acquired in the Transaction, bearing Indian flag on vessels etc, post disinvestment.

2.5. Foreign Direct Investment Policy (“FDI”) Policy

As per Department for Promotion of Industrial and International Trade (DPIIT), Foreign Direct Investment (FDI) of up to 100% allowed under the automatic route for port and shipping sector per se except for revised provision under para 3.1.1 of Press Note no. 3, (2020 series) dated 17th April 2020 wherein an entity of the country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.

If the Bidder is a foreign company / entity / consortium, it shall ensure compliance with the sectoral caps on the FDI in accordance with the prevailing FDI Policy and the guidelines, rules, regulations, circulars, master circulars etc. issued by the Reserve Bank of India in terms of the Foreign Exchange Management

Act, 1999 as may be amended, supplemented or revised from time to time. Further, the Bidder shall undertake the due diligence to ensure that it meets the extant FDI policies / norms / guidelines, rules, regulations, circulars, master circulars etc. and all required approvals from the DPIIT, GOI in compliance with the policies /norms /guidelines, rules, regulations, circulars, master circulars etc. shall be obtained prior to the completion of the disinvestment process.

2.6. Instructions for Submission of EOI

The interested parties seeking to acquire stakes in public sector enterprises through the process of disinvestment issued by DIPAM, GOI are requested to refer to the guidelines for qualification of bidders as more particularly set out in **Annexure XIV**.

1. This EOI invitation along with **Annexures** will be uploaded on the following website(s):

www.shipindia.com

www.dipam.gov.in

www.rbsa.in

www.shipmin.gov.in

Following receipt of invitation of EOI, IPs are required to respond in the format as detailed in invitation of EOI.

2. The modalities related to the visit and due diligence will be communicated to the qualified IPs in due course after shortlisting of EOIs.

The IPs shall carry out their own due diligence, surveys, investigations, examination independent assessment and appraisal of SCIL and the Transaction before submitting the EOI. The GOI / SCIL / TA or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto, and shall not be liable in any manner whatsoever. The IPs shall bear all costs associated with the due diligence, preparation and submission of the EOI and the bid. SCIL, GOI & TA shall not, under any circumstances be responsible or liable for any such costs, whether direct, incidental, special or consequential.

3. QIPs may on request be allowed a physical inspection of some of the vessels subject to the availability of the vessel at a particular location and also at the sole discretion of GOI. The cost and logistics of such inspection shall be borne by the individual QIP.
4. IPs shall have satisfied themselves of their queries before participating in the Transaction. GOI, TA and SCIL reserve the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this document shall be taken or read as compelling or requiring the GOI, TA and/or SCIL to respond to any question or to provide any clarification. No extension of any time and date referred to in this invitation of EOI shall be granted on the basis or grounds that the GOI or TA or SCIL have not responded to any question / provided any clarification.
5. Details regarding the process post short-listing based on the EOIs submitted will be subsequently shared with the IPs in the RFP.
6. EOIs are liable to be rejected by GOI / TA if IPs fail to meet the Eligibility Criteria as specified in section titled 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section titled 'Disqualification' in this invitation of EOI or for any other reason deemed fit, or even without communicating any reason whatsoever.

7. In case an IP is satisfying the Eligibility Criteria based on the Net Worth of the entity into which the accounts of the IP are consolidated, the criteria for qualification and disqualification shall also be applicable to such entity apart from the IP, and such entity shall also provide all the declarations in the formats required as part of EOI.
8. GOI reserves the right to withdraw, cancel, defer, from the Transaction, to accept or reject any or all EOIs at any stage of the Transaction and/modify the process or any part thereof or to vary any terms at any time without communicating any reason whatsoever. In such an event, no financial obligation whatsoever shall accrue to GOI, SCIL, the TA or any of their respective officers, employees, advisors or agents.
9. At any time prior to the EOI Due Date and Time for submission of EOI, GOI may, for any reason, whether at its own initiative or in response to clarifications requested by any IP, modify the invitation of EOI by the issuance of addendum (s).
10. The GOI reserves the right to additionally seek any documents, information, indemnities, warranties, representations or performance obligations from the IPs or any of their related entities to GOI's sole satisfaction without any liability to the TA, GOI and SCIL.
11. The IP shall provide all the information sought in this invitation of EOI or as requested during the Transaction process. The TA may evaluate only those EOIs that are received in the required formats and complete in all respects. The TA reserves the right to call for documents / clarifications as may be required, subject to intimation to GOI. The EOI shall be typed and signed in indelible blue ink by the authorised signatory of the IP. The IPs shall submit the EOI by mentioning the page number on each document and to be submitted in the sequence specified. The EOI and all related correspondence and documents in relation to the EOI shall be in English language. All the alterations, omissions, additions or any other amendments made to the EOI shall be initialled by the person(s) signing the EOI.
12. Documents comprising the EOI:
 - i. The IPs, if they so desire, may submit the complete EOI in electronic form via email with all the requisite documents in pdf format by the EOI Due Date as per details tabulated below.
 - ii. The IP shall submit the EOI in hard bound. The hard bound EOI shall be submitted in one original and one copy form. The IP shall also submit a copy of complete EOI in electronic form (soft copy) in a pen drive. The EOI must be signed by a duly authorized representative of the IP. The IP shall also be required to submit a Power of Attorney (in the form enclosed in **Annexure VII**) authorizing the signatory of the EOI to commit the IP.
 - iii. The contents of EOI shall be as under:

Sr. No.	Documents
1	Annexure I (a) – Expression of Interest from Sole Bidder
2	Annexure I (b) – Expression of Interest from Consortium (if applicable)
3	Annexure II (a) – Authorization from IP submitting as a Sole Bidder
4	Annexure II (b) – Authorization from IP submitting as a Consortium (if applicable)

5	Annexure II (c) – Undertaking in relation to ultimate beneficial ownership
6	Annexure III – Affidavit for Certification of documents
7	Annexure IV – Request for Qualification along with supporting documents
8	Annexure V – Declaration for legal proceedings
9	Annexure VI – Deed of Confidentiality Undertaking
10	Annexure VII – Power of Attorney for Lead member of Consortium
11	Annexure VIII – Consortium Agreement (if applicable)
12	Annexure IX – Power of Attorney for Employee Participation
13	Annexure X – Undertaking from Parent Entity, if applicable
14	Annexure XI – Statutory auditor's / independent chartered accountant's certificate certifying that Net Worth, as defined in as defined in Eligibility Criteria, along with detailed calculation of the Net Worth. In case latest audited annual accounts of an IP are not available then the IP shall submit a certificate from its statutory auditor certifying the Net Worth along with the methodology used for calculating such Net Worth as applicable.
15	Annexure XII – A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business or equivalent charter documents.
16	Annexure XIII – Audited financial statements and annual reports for the five immediately preceding financial year, the last such year being the financial year ending on or later than 31 st December 2019
17	Demand Draft of INR 10,00,000/- (INR One Million only) (INR Ten Lakhs Only). <i>A scanned copy of the same is required to be submitted if the IP chooses to submit the EOI in soft copy over email.</i>

13. Submission of EOI

- i. The IPs, if they so desire, may submit the complete EOI in electronic form via email with all the requisite documents in pdf format by the EOI Due Date. The pdf files should be password protected and to be shared at scileoi@rbsa.in. The password should be communicated via a separate email at scileoisubmission@rbsa.in. IPs submitting EOI by email shall also be required to submit the EOI in a hard-bound physical copy within fifteen (15) days from the EOI Due Date. All the documents submitted in the electronic form may either be scanned version of documents with physical signatures or signed digitally using a valid Digital Signature Certificate.

Explanation-For the avoidance of doubt, it is clarified that the Power of Attorney cannot be digitally signed, even if the EOI is submitted in an electronic form, which must be

physically signed, witnessed, notarized and legalized / apostilled (as required), as per the procedure specified in **Annexure VII & Annexure IX** of the PIM. Such signed Power of Attorney may then be scanned and emailed.

- ii. Two sets of all the documents listed in this PIM should be submitted on or before the EOI Due Date to the TA in two separate sealed envelopes in the following manner:
 - a) **Envelope 1:** Envelope 1 should contain all the originally signed documents (as listed above) and should be sealed and duly super scribed as **“Private and Confidential – Expression of Interest for the Strategic Disinvestment of SCIL – Original”**
 - b) **Envelope 2:** Envelope 2 should contain a copy of all the originally signed documents (as listed above) and should be sealed and duly super scribed as **“Private and Confidential – Expression of Interest for the Strategic Disinvestment of SCIL - Copy”**
 - c) Both the envelopes shall clearly indicate the name and address of the IP. **Envelope 1** and **Envelope 2** along with pen drive containing soft copy of documents contained therein shall then be placed in a third envelope (**“Envelope 3”**), which shall be sealed and duly super scribed as **“Private and Confidential – Expression of Interest for the Strategic Disinvestment of SCIL”** and shall clearly indicate the name and address of the IP.
 - d) In addition, the EOI due date should be indicated on the right hand top corner of the envelope.

Where any document listed above is not applicable to any CSB, the CSB should not omit such document and must mention **“Not Applicable”** on such document, as the case may be

- iii. Non-refundable demand draft of INR 10,00,000/- (INR One Million only) (INR Ten Lakhs Only) drawn in favour of **“RBSA Capital Advisors LLP”**, payable at New Delhi. This should be enclosed in **Envelope 1**.
- iv. The envelope shall be addressed to the following and shall be submitted at the respective address:

Mr. Ajay Malik/ Mr. Suchismit Ghosh/Mr. Ankur Wahal
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi – 110 008, India

- v. If the envelope is not sealed and marked as instructed above, the GOI/TA assumes no responsibility for the misplacement or premature opening of the contents of the EOI submitted and consequent losses, if any, suffered by the IP. Any submission made may be liable to be rejected if it is not marked as per the instructions mentioned in this invitation of EOI.
- vi. EOI submitted by fax or telex shall not be entertained and shall be summarily rejected.
- vii. All enquiries related to the Transaction should be addressed to the representatives of TA mentioned above.

- viii. GOI, SCIL and the TA shall bear no responsibility for non-receipt of EOIs/any other correspondence sent by post/e-mail/courier/fax.
- ix. For sake of clarity, in case the IP chooses to submit the EOI in electronic format the hardbound original copies of the EOI complete in all respect and as described immediately above shall be submitted within fifteen (15) days of the EOI Due Date. However, if the IP chooses not to submit the EOI in electronic format the hardbound original copies of the EOI complete in all respect and as described immediately above shall be submitted on or before the EOI Due Date.

2.7. Disqualification

Without prejudice, an IP may be disqualified and its EOI dropped from further consideration for any (but not limited to) of the reasons listed below:

1. The GOI / TA may not consider for the purpose of qualification, any EOI which has been found to be incomplete in content or attachments or authenticity.
2. Without prejudice, the GOI / TA reserves the right to disqualify any IP and exclude its EOI from further consideration for any of the following reasons including without limitation those listed below:
 - i. Misrepresentation / false statement is made by the IP or any Member of a Consortium in the EOI, at any stage of the Transaction, whether in the EOI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - ii. If the EOI submitted by the IP is in any respect inconsistent with, or demonstrate any failure to comply with, the provisions of the invitation of EOI.
 - iii. Failure by IP or any Consortium Member to provide necessary and sufficient information required to be provided in the EOI.
 - iv. Submission of EOI in respect of IP or any Consortium member, where such IP or Member had already submitted an EOI or is a Member of another Consortium, which has already submitted an EOI, or where the ultimate beneficial owner of IP or any Consortium Member is the same as that of any other IP or any Member of any other consortium. In such a case both Consortiums shall stand disqualified.
 - v. The IPs or any Consortium Members not satisfying the Eligibility Criteria and requisite qualification criteria specified in this invitation of EOI and hence not eligible.
 - vi. Failure by the IP or any Consortium Members to comply with any reasonable requests of the GOI and/or the TA in relation to the Transaction.
 - vii. If it is discovered at any time that an IP, any of the Consortium Members, and/or any Promoter of an IP or of any of the Consortium Members are subjected to winding up/insolvency/bankruptcy or other proceedings of a similar nature.
 - viii. Any information relating to the IP or any Consortium Member its/their respective Subsidiary and Associate Companies thereof and Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the IP/ Lead Member for the purpose of fulfilling the Financial

- Criteria) which becomes known that is detrimental to the national security and/or public interest and/or national interest and/or Transaction and/or the interests of SCIL and/or GOI.
- ix. Initiation or existence of any legal proceedings, by or against the IP or any Consortium Member and its/their respective Subsidiary and Associate Companies thereof and Parent (wherever applicable i.e. where Net Worth of Parent is being counted by the IP/Lead Member for the purpose of fulfilling the Financial Criteria) by or against SCIL or its directors in capacity as directors of SCIL, which proceeding may be prejudiced by the participation of the IP in the selection process.
 - x. The IP or any Consortium Member, and Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the IP/Lead Member for the purpose of fulfilling the Financial Criteria) does not satisfy the requirements of qualification or is disqualified under the Government of India office memorandum No. 3/9/2016-DD-II-B Dated: 28th September 2017, (refer **Annexure XIV**), as amended from time to time.
 - xi. Non fulfilment of any other condition as listed in the EOI including breach of Confidentiality Undertaking as per the document.
 - xii. Any charge sheet by a Governmental Authority / conviction by a court of law for an offence relating to the national security and/or national integrity of India committed by the IP or any Consortium Member/its/their directors or any of its/their respective Subsidiaries, Associate Companies or any of its/their Promoters, Promoter Group members.
 - xiii. Any condition or qualification or any other stipulation inserted by the IP in the EOI may render the EOI liable to rejection.
 - xiv. If any IP, Consortium Member, Promoters or Promoter Group or directors of such IP or Consortium Members which are:
 - a) debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by any Governmental Authority;
 - b) appearing in the RBI list of Wilful Defaulters;
 - xv. If the IP or any Consortium Member does not satisfy any of the requirements as may be issued by the GOI by way of notifications / issue of guidelines / circulars or such similar notifications from time to time including any conditions of disqualifications the EOI submitted by such IP shall be disqualified.
 - xvi. All entities that have been debarred / banned / blacklisted by any Governmental Authority, from time to time
 - xvii. IP or any Consortium Members which are:
 - a) Erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI;
 - b) Prohibited or restricted from investing in CPSE basis their status / sector in which CPSE operates under the Foreign Exchange Management Act, 1999 or any regulations made thereunder and including the provisions of the Consolidated FDI Policy. It being clarified that sectors where government approval is required will not be considered as 'restricted' from investing.

If any information becomes known after the IP has been qualified to receive the access to data room and RFP, which information would have entitled the GOI /TA to reject or disqualify the EOI of relevant IP, the GOI /TA reserves the right to reject the IP at the time or at any time after such information becomes known to the GOI /TA. Where the IP is a consortium, GOI /TA may disqualify the entire Consortium, even if it applied to only one member of the Consortium.

3. Where an IP is a Consortium, the (in) eligibility and (dis)qualification criteria in this section apply to all Members of the IP. Thus, for the avoidance of doubt, if any of the Members of the Consortium is ineligible or disqualified, the Consortium and the IP itself will automatically stand disqualified and considered ineligible.
4. An IP and each of Consortium Member must be eligible and qualified, as per criteria mentioned in this invitation of EOI, on the date of submission of the EOI and must continue to be. IP shall have the obligation to immediately notify the TA on its becoming ineligible at any time during the process. In the event of any IP or any Consortium Member becoming ineligible or disqualified, such IP shall not be permitted to continue to participate in the process.
5. Determination by the GOI / TA that any one or more of the events specified in this section has occurred shall be final and conclusive.

2.8. Approvals

The IP or any Consortium Member, as the case may be, shall be responsible for obtaining all the applicable approvals to complete the Transaction within a specified time limit. For the purpose of this Transaction, the IP shall ascertain the applicability and implication of all laws pertaining to the Transaction and shall ensure compliance with all the applicable laws.

2.9. Late EOIs

Submission of any EOI after the prescribed date and time mentioned in **Clause 1.1** may not be considered and the EOI shall be summarily rejected.

2.10. Substitution / Withdrawal of EOI

The IP may substitute or withdraw its EOI after submission prior to the EOI Due Date and Time. No EOI can be substituted or withdrawn by the IP on or after the EOI Due Date and Time.

2.11. Evaluation of EOI

The TA will subsequently examine and evaluate all the EOIs in accordance with the provisions of invitation of EOI based on the guidance by DIPAM and GOI.

2.12. Rejection of EOI

- i. Notwithstanding anything contained in this invitation of EOI, the GOI reserves the right to reject any or all EOIs on any grounds including, the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.

- ii. The GOI may also annul the EOI process and/or reject all EOIs at any time without any liability or any obligation for such acceptance, rejection or annulment, and without communicating any reasons thereof. In the event that the GOI rejects or annuls any of all the EOIs, it may, in its discretion, invite fresh EOIs hereunder.
- iii. The GOI reserves the right not to proceed with the EOI Process at any time, without notice or liability, and to reject any or all of the EOI without communicating any reasons.

2.13. Validity of EOI:

EOIs shall be valid till the acceptance of Financial Bid, or such other date as may be notified by GOI/TA.

2.14. Confidentiality

Information relating to the examination, clarification, evaluation and recommendation for the IPs shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the GOI in relation to, or matters arising out of, or concerning the EOI process.

The TA and the IP will treat all information, submitted as part of the EOI, in confidence and will require all those who have access to such material to treat the same in confidence to the same extent as the IP itself is bound. The TA shall not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the GOI or as may be required by law or in connection with any legal process.

No IP or any Consortium Member shall make any public announcement about their participation in the Transaction without prior written permission from GOI. However, in the event any IP or Consortium Member is required to make any disclosure to comply with the requirements of applicable law or the regulations of any stock exchange, they shall limit such announcement only to the extent strictly required and shall give prior written intimation to the GOI and TA.

2.15. Others

- a) The completed forms, "**Annexures**" of the EOI shall be considered as part of the definitive agreements in the case of successful bid.
- b) All financial statements or data to be derived therefrom referred herein shall mean on a consolidated basis and where consolidated financial statements are not required to be prepared by the entity, such financial statements or data derived therefrom shall mean on a standalone basis.
- c) The detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IP hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
- d) Any condition or qualification or any stipulation other than that contained in the invitation of EOI shall render the EOI liable to rejection as a non-responsive EOI.
- e) The documents including this invitation of EOI and all attached documents are and shall remain or become the properties of the GOI solely and are transmitted to the IPs solely for the purpose

- of preparation and the submission of an EOI in accordance herewith. IPs shall not use such documents/information for any purpose other than for preparation and submission of their EOI.
- f) A draft of the Deed of Confidentiality Undertaking (CU) has been provided in **Annexure VI**, which need not be submitted at the submission of the EOI. A duly signed CU is required to be submitted by Qualified Interested Party before gaining access to the data room
 - g) The IPs shall provide certificates, undertakings, (where applicable) or such similar documents for such amounts and on such terms and conditions prior to submission of the financial bid in **Stage II** as may be informed by the GOI.
 - h) Unless otherwise specified, a certified true copy (duly verified by a notary) of the supporting documents shall be submitted. Documents executed and issued overseas will also have to be legalized using the procedure as per applicable law. In case any supporting document is in a language other than English, a certified English translation, of such document will be submitted and such translation will also need to be legalized using the procedure as per applicable law.
 - i) The GOI, SCIL and the TA shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the invitation of EOI including any error or mistake therein or in any information or data given by the TA.
 - j) The GOI and the TA reserve the right to verify all statements, information and documents submitted by the IP in response to the EOI and the IP shall, when so required by the GOI/TA, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GOI/TA shall not relieve the IP of its obligations or liabilities hereunder nor will it affect any rights of the GOI/TA thereunder.
 - k) The Transaction will be subject to applicable statutory and regulatory restrictions and approval requirements.
 - l) The fact that the GOI may entertain bids by entities (including SPVs) from a jurisdiction outside of India should not be construed as approval from the Government of India on any issues (including tax) relating to foreign investments in India that may arise in relation to the Transaction. IP has to comply with relevant applicable laws and procedure.

2.16. Security Clearance

Necessary security clearance shall be taken as per the details and requirements communicated to the QIP at the time of RFP.

2.17. Governing Law / Jurisdiction

The interested parties acknowledge that this PIM is not a legally binding document. Any and all disputes relating to, arising out of, or in connection with, the terms of this PIM and/or the Transaction shall be governed by the Laws of Republic of India. The courts of New Delhi shall have exclusive jurisdiction.

Annexure I – Expression of Interest

Annexure I (a) – Expression of Interest from Sole Bidder

(On the letterhead of IP submitting the EOI)

To,
Mr. Ajay Malik/ Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House,
23, South Patel Nagar
New Delhi – 110 008, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DIVESTMENT OF
29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA IN SHIPPING
CORPORATION OF INDIA

Sir,

This is with reference to the advertisement dated [] (“**Advertisement**”) inviting Expression of Interest (“EOI”) for sale of Government of India (“GOI”) of such number of shares representing 63.75 percent (%) of the equity share capital of Shipping Corporation of India (“SCIL”), a company registered under the Companies Act 1956, having its registered office at Shipping House, Madam Cama Road, Mumbai, Maharashtra- 400 021, India.

We have read and fully understood the contents and requirements of the Advertisement and the Preliminary Information Memorandum dated [●] (“PIM”) and are desirous of participating in the Strategic Disinvestment. Terms used herein but not defined shall have the meaning ascribed to them in the PIM.

Accordingly, for this purpose we address you as follows:

- 1) We _____ (insert name of interested party) having our registered office at _____ (insert registered address of interested party) **OR**

We are permanent employees of SCIL and we propose to submit our EOI independently.

The list of employees is provided below:

S. No.	Name of Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Aadhar No / Passport No)	PAN and Tan

(herein after referred to as the “**Interested Party**”)

- 2) We are interested in bidding for the divestment by the GOI of its equity stake in SCIL.

- 3) We understand the instructions of the PIM and confirm that we satisfy the Eligibility Criteria detailed in the Advertisement and the PIM.
- 4) We confirm and represent that we have the requisite corporate authorisation to submit this EOI.
- 5) We certify that there are no legal proceeding(s) by or against the IP and its respective Subsidiary and Associate Companies thereof and Parent (wherever applicable i.e. where Net Worth of Parent is being counted by the IP for the purpose of fulfilling the Financial Criteria) by or against SCIL or its directors in capacity as directors of SCIL, have been initiated or is in existence, which proceeding may be prejudiced by the participation of the IP in the selection process or the Transaction.
- 6) We certify that neither we have been convicted or indicted by any court of law, nor our Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the IP for the purpose of fulfilling the Financial Criteria) have any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage SCIL following the Strategic Disinvestment, or which relates to a grave offence that outrages the moral sense of the community.
- 7) We further certify that in regard to matters relating to security and integrity of India, no charge sheet been filed against us, our directors or any of our Subsidiaries or against any of our Associate Companies or any of our Promoters, Promoter Group members, nor have we been convicted by a court of law or agency of the Government of India for any offence committed in relation thereto.
- 8) We further certify that no investigation by a regulatory authority[#] is pending either against us nor our Parent, (wherever applicable i.e. where Net Worth of the Parent is being counted by the IP for the purpose of fulfilling the Financial Criteria).
- 9) In the event any of the grounds of disqualification in terms of the PIM become applicable to us during the pendency of the process of Strategic Disinvestment, owing to changes in facts or circumstances, we undertake to immediately intimate the TA and the GOI.
- 10) We confirm that we are not a Government Company under the (Indian) Companies Act 2013.
- 11) We certify that in terms of the PIM, our Net Worth as on _____ is INR_____ (_____ in words) OR [We certify that in terms of the EOI, we fulfil the Financial Criteria through our Parent entity namely [insert name of the Parent entity] whose Net Worth as on_____ is USD.....(USD in words). Equivalent to INR_____ (_____ in words) at an exchange rate of (please quote the source and date of the exchange rate]
- 12) We certify that in terms of the PIM, our EBITDA is positive in _____ out of last 5 (five) financial years and the last financial year considered for the said purpose has ended on _____
- 13) We shall be glad to receive further communication on the subject.

[#]The investigation by regulatory authority shall be limited to the following: (a) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of **Clauses (a) & (b)** of the Office Memorandum of DIPAM dated 28th September 2017; and (b) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of the Eligibility Criteria prescribed in the PIM. The copy of Office Memorandum of DIPAM dated 28th September 2017 is annexed as **Annexure X** to DIPAM Guidance Note-1 on Strategic Disinvestment (provided as **Annexure XIV** for reference).

Thank You

Yours Sincerely

For and on behalf of: **(Name of Interested Party)**

_____ **(Signature of Authorised Signatory)**

_____ **(Name of Authorised Signatory)**

_____ **(Designation of Authorised Signatory)**

Enclosure:

- i. Authorization from IP submitting as Sole Bidder
- ii. Request for Qualification
- iii. Affidavit for Certification of Documents
- iv. Declaration of Legal proceedings
- v. Power of Attorney for Employees participation, if applicable
- vi. Undertaking from Entity into which the accounts of the IP are consolidated, (if Applicable)
- vii. Undertaking from Parent Entity, if applicable
- viii. Statutory auditor's certificate certifying that Net Worth, as defined in Eligibility Criteria, along with a detailed calculation of the Net Worth along with the methodology used for calculating such Net Worth as applicable.
- ix. A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business or equivalent charter documents (as applicable).
- x. Audited financial statements and annual reports for the five immediately preceding financial year

Annexure I (b) – Expression of Interest from Consortium, if applicable

(On the letterhead of Lead Member submitting the EOI)

To,
Mr. Ajay Malik / Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi – 110 008, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DIVESTMENT OF
29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA IN SHIPPING
CORPORATION OF INDIA

Sir,

This is with reference to the advertisement dated [] (“Advertisement”) inviting Expression of Interest (“EOI”) for sale of Government of India (“GOI”) of such number of shares representing 63.75 percent (%) of the equity share capital of Shipping Corporation of India (“SCIL”), a company registered under the Companies Act 1956, having its registered office at Shipping House, Madam Cama Road, Mumbai, Maharashtra- 400 021, India.

This communication has been issued by us in our capacity as the Lead Member (as defined below) for and on behalf of the Consortium (as defined below). All statements below are made for and on behalf of members of the Consortium. Hence, all references to “we” and “us” refers to each member of the Consortium.

We have read and fully understood the contents and requirements of the Advertisement and the Preliminary Information Memorandum dated [●] (“PIM”) and are desirous of participating in the Strategic Disinvestment. Terms used herein but not defined shall have the meaning ascribed to them in the PIM.

Accordingly, for this purpose we address you as follows:

- 1) We have formed a consortium comprising [] members as follows (“Consortium”):
 - 1.1 [] holding [] % equity share capital, on a fully diluted basis, in the Consortium
 - 1.2 [] holding [] % shareholding in the consortium
 - 1.3 [] holding [] % shareholding in the consortium

OR

We are permanent employees of SCIL and have formed a consortium with [●] [insert name of bank/financial institution/venture capitalist] (“**Consortium**”)

1.1 Employees holding [●] % equity share capital in the Consortium, on a fully diluted basis;

1.2 [●] holding [●] % equity share capital in the Consortium, on a fully diluted basis

The list of employees is provided below:

S. No.	Name of Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Aadhar No / Passport No)	PAN and Tan

- 2) We have agreed that [] shall act as the Lead Member of the Consortium (“Lead Member”)
- 3) We are interested in bidding for the proposed divestment by the GOI of its equity Stake in SCIL.
- 4) We understand the instructions of the PIM and confirm that we satisfy the Eligibility Criteria detailed in the Advertisement and the PIM.
- 5) We confirm and represent that we have the requisite corporate authorisation to submit this EOI.
- 6) We certify that there are no existing material dispute(s) or legal proceeding(s) by or against us and our respective Subsidiary and Associate Companies thereof and Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the Lead Member for the purpose of fulfilling the Financial Criteria).
- 7) We further certify that neither we have been convicted or indicted by any court of law, nor has any adverse order been passed against us by a regulatory authority against us or our Parent (wherever applicable i.e. where Net Worth of Parent is being counted by the Lead Member for the purpose of fulfilling the Financial Criteria) which would cast a doubt on our ability to manage SCIL following the Strategic Disinvestment, or which relates to a grave offence that outrages the moral sense of the community.
- 8) We further certify that in regard to matters relating to security and integrity of India, neither has any charge sheet been filed against us, our directors or any of our Subsidiaries or against any of our Associate Companies or any of our Promoters, Promoter Group members nor have we been convicted by a court of law or agency of the Government for any offence committed in relation thereto.
- 9) We further certify that no investigation by a regulatory authority is pending either against us nor our Parent, (wherever applicable i.e. where Net Worth of Parent is being counted by the Lead Member for the purpose of fulfilling the Financial Criteria)
- 10) In the event any of the grounds of disqualification in terms of the PIM become applicable to us during the pendency of the process of Strategic Disinvestment, owing to changes in facts or circumstances, we undertake to immediately intimate the TA and the GOI.
- 11) We confirm that we are not a Government Company under the (Indian) Companies Act 2013 or 1956.
- 12) We certify that in terms of the PIM, our Net Worth as on _____ is INR_____ (_____ in words) OR [We certify that in terms of the EOI, our Net Worth as on _____ is USD.....(USD

in words). Equivalent to INR _____ (_____ in words) at an exchange rate of (please quote the source and date of the exchange rate]

- 13) We certify that in terms of the PIM, our EBIDTA is positive in _____ out of last 5 (five) financial years and the last financial year considered for the said purpose has ended on _____.
- 14) We shall be glad to receive further communication on the subject.

Thank you.

Yours sincerely

For and on behalf of: **(Name of Interested Party)**

_____ **(Signature of Authorised Signatory)**

_____ **(Name of Authorised Signatory)**

_____ **(Designation of Authorised Signatory)**

Enclosure:

- i. Authorization from IP submitting as a Consortium
- ii. Request for Qualification
- iii. Affidavit for Certification of Documents
- iv. Declaration of Legal proceedings
- v. Power of Attorney for the Lead Member of the consortium
- vi. Consortium Agreement
- vii. Undertaking from Parent entity, if applicable
- viii. Statutory auditor's certificate certifying that Net Worth, as defined in Eligibility Criteria, along with a detailed calculation of the Net Worth along with the methodology used for calculating such Net Worth as applicable.
- ix. A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business or equivalent charter documents (as applicable).
- x. Audited financial statements and annual reports for the five immediately preceding financial year

Annexure II – Authorisation from IPs

Annexure II (a) - Authorisation from IP submitting as Sole Bidder

(On the letterhead of IP)

To,
Mr. Ajay Malik/ Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi – 110 008, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DIVESTMENT OF
29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA IN SHIPPING
CORPORATION OF INDIA

Sir,

This is with reference to the advertisement dated [] (“Advertisement”) inviting Expression of Interest (“EOI”) for sale of Government of India (“GOI”) of such number of shares representing 63.75 percent (%) of the equity share capital of Shipping Corporation of India (“SCIL”), a company registered under the Companies Act 1956, having its registered office at Shipping House, Madam Cama Road, Mumbai, Maharashtra- 400 021, India.

- 1) We have read and fully understood the contents and requirements of the Advertisement and the Preliminary Information Memorandum dated [●] (“PIM”) and are desirous of participating in the Strategic Disinvestment.
- 2) [] (insert name and designation of individual) (“Representative”) has been duly authorized to submit the EOI for and on behalf of (insert name of IP) and to act as our representative for all matters related there to.
- 3) The Representative is vested with the requisite power and authority to furnish this letter and Annexure IV (Request for Qualification along with supporting documents) along with all the documents to be submitted pursuant to the PIM/EOI and authenticate the same.
- 4) The certified extract of the resolution of our board of directors dated [*] approving our participation in the Strategic Disinvestment and giving the necessary authority to the Representative in connection therewith is enclosed.

(In case of entities having PAN and TAN registration in India)

Our PAN number is _____

Our TAN number is _____

(In case of entities not having PAN and TAN registration in India)

- Name, Email – ID, Contact Number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number ('TIN') in the country of residence; if no TIN is being issued, any other unique identification number issued by government of such country

Sincerely,

For and on behalf of: (Name of the Interested Party)

Name:

Designation:

Enclosure: Certified extract of the resolution of the board of directors dated []

Annexure II (b) - Authorisation from IP submitting as Consortium, if applicable

(On the letterhead of the Lead Member of the Consortium)

To,
Mr. Ajay Malik / Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi – 110 008, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DIVESTMENT OF
29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA IN SHIPPING
CORPORATION OF INDIA

Sir,

This is with reference to the advertisement dated [] (“Advertisement”) inviting Expression of Interest (“EOI”) for sale of Government of India (“GOI”) of such number of shares representing 63.75 percent (%) of the equity share capital of Shipping Corporation of India (“SCIL”), a company registered under the Companies Act 1956, having its registered office at Shipping House, Madam Cama Road, Mumbai, Maharashtra- 400 021, India.

- 1) We have read and fully understood the contents and requirements of the Advertisement and the Preliminary Information Memorandum dated [●] (“PIM”) and are desirous of participating in the Strategic Disinvestment.
- 2) We have formed a consortium comprising of [●] members (“Consortium”) as follows:
 - a. [●] holding [●] % equity share capital, on a fully diluted basis, in the Consortium;
 - b. [●] holding [●] % equity share capital, on a fully diluted basis, in the Consortium;and
 - c. [●] holding [●] % equity share capital, on a fully diluted basis, in the Consortium.
- 3) [] (insert name and designation of individual) (“Representative”) has been duly authorized to submit the EOI for and on behalf of (insert name of IP) and to act as our representative for all matters related there to.
- 4) The Representative is vested with the requisite power and authority to furnish this letter and Annexure IV (Request for Qualification along with supporting documents) along with all the documents to be submitted pursuant to the PIM/EOI and authenticate the same.
- 5) The certified extract of the resolution of our board of directors dated [*] approving our participation in the Strategic Disinvestment and giving the necessary authority to the Representative in connection therewith is enclosed.

- Name, Email – ID, Contact Number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number ('TIN') in the country of residence; if no TIN is being issued, any other unique identification number issued by government of such country

Sincerely,

For and on behalf of: (Name of lead member of the consortium, acting as the lead member of the (name of consortium)

Name:

Designation:

Enclosure: Certified extract of the resolution of the board of directors dated []

Annexure II (c) - Undertaking in Relation to Ultimate Beneficial Ownership

(On the letterhead of Interested Party/Consortium Member (as applicable))

To,
Mr. Ajay Malik/ Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi – 110 008, India

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DIVESTMENT OF
29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA IN SHIPPING
CORPORATION OF INDIA

We hereby undertake that we do not have the same ultimate beneficial owner(s) as of any other Interested Party or Consortium Member participating in the Transaction and we have not submitted more than one (1) EOI either as sole bidder or as Consortium Member.

Note: Capitalized terms not defined shall have the same meaning ascribed to them in the PIM.

Thank you.

Yours sincerely

For and on behalf of: **(Name of Interested Party/Consortium Member (as applicable))**

_____ **(Signature of Authorised Signatory)**

_____ **(Name of Authorised Signatory)**

_____ **(Designation of Authorised Signatory)**

Annexure III – Affidavit for Certification of Documents

(To be duly executed and adequate stamp duty to be paid by the IP or any Members of Consortium/Parent in the event Net Worth of the Parent is being relied on for the purpose of fulfilling the Financial Criteria with respect to this document. To be given by the Representative (as defined in Annexure II)

AFFIDAVIT

- 1) I, [name] aged [age] years, resident of [address] working as [designation] an Authorised Signatory on behalf of [name of the Interested Party or any Consortium Member/Parent] (“Interested Party (IP) or any Consortium Member”/”Parent) hereby state on solemn affirmation or oath as under: I am the [designation of the deponent] of the Interested Party or any Consortium Member/Parent. I am conversant with the facts and circumstances surrounding the subject of this affidavit and have been authorised to depose to the same pursuant to the power of attorney dated [date] issued pursuant to [particulars of corporate approval]. I am filing this affidavit to place on record, verification of facts and documents in connection with the bidding process concerning Strategic Disinvestment of Shipping Corporation of India.
- 2) I state that I have reviewed the contents of the Preliminary Information Memorandum dated [●] and the Expression of Interest dated [●] (“EOI”) and the requirements of each of them in relation to the Strategic Disinvestment of Shipping Corporation of India and also the terms and conditions thereof.
- 3) I state that all documents and information submitted with the EOI of [insert name of the IP/Consortium Member/Parent] has been personally verified and has also been verified by the concerned authority within [insert name of the IP/Consortium Member/Parent]. [Insert separate paragraphs for each information/ document physically submitted with the TA, in a chronological sequence.
- 4) I state that each of the documents submitted of [insert name of IP/Consortium Member/Parent] is true, correct and complete in all respects. Nothing has been concealed in the information submitted as mentioned above, and no information submitted is misleading in any respect.
- 5) I understand that in case of any untrue, incomplete, misleading or incorrect information is submitted, the EOI/Bid submitted by [insert name of the IP/Consortium Member/Parent] shall be liable to be disqualified.
- 6) I state that, in the event in any of the grounds for disqualification becomes applicable to [insert name of IP/Consortium Member/Parent] in terms of the PIM during the pendency of the process of Strategic Disinvestment, we shall promptly inform the TA along with the copy of all the relevant documents.
- 7) I state that, in the event of any change in the information or documents submitted by [insert name of the IP/Consortium Member/Parent], we shall immediately notify the TA along with copies of all the relevant documents.
- 8) This Affidavit has been provided by me for and on behalf of [insert name of the IP/Consortium Member/Parent] for the purpose of confirming the correctness, completeness, and validity of all documents and information submitted by [insert name of the IP/Consortium Member/Parent] in relation to Strategic Disinvestment of Shipping Corporation of India.

Solemnly affirmed and verified on this [day] day of [month] [year] at [place]. Before me [particulars of notarization]

Name, Designation & Address & Signature of Deponent

Annexure IV – Request for Qualification along with supporting documents

(On the letterhead of IP submitting the EOI) (To be submitted by IP/Consortium Member/Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by IP/Lead Member for the purpose of fulfilling the Financial Criteria)

Reference No. _____

Date _____

To,
Mr. Ajay Malik / Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi – 110 008, India

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DIVESTMENT OF
29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA IN SHIPPING
CORPORATION OF INDIA

Sr. No.	Particulars	Details
1	Name of the Interested Party/ Member of Consortium/Parent	
2	Executive Summary and Management Organization: providing brief description of the Interested Party and (where appropriate) of member in the consortium/ Parent on whose Net Worth has been relied on by the IP/ Lead Member, containing details like ownership structure, identity of the natural persons who are the ultimate beneficial owners, the Place of Effective Management of business of the IP/ Consortium Member/Parent (“Place of Effective Management” means the place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made), (<i>as per Central Board of Direct Taxes Guideline F. No. 142/11/2015-TPL dated 24th January 2017</i>) etc. write up on business history and growth, business areas / activities, respective revenue details, the Place of Effective Management of business of the IP/ Consortium Member/Parent etc. It shall include a brief commentary on the capability of the IP/ Consortium Member/Parent, as demonstrated, inter alia, in its past track record, to run its own business	
3	Constitution: Public Limited Company, Private Limited Company, LLP, SEBI Registered AIF/funds, Others, if any (please specify)	

4	Following details of IP/ Consortium Member/Parent including phone number and facsimile number: a) Registered Office – Address, phone number, facsimile number b) Head Office – Address, phone number, facsimile number	
5	Website Details of IP/ Consortium Member/ Parent	
6	If the IP / any Consortium member/Parent is a foreign company/ overseas body corporate, specify list of statutory approvals from GOI/ RBI/ DPIIT/ relevant ministry/ any other Government agency, specifying whether the same is applied for/ obtained/ awaited, if any	
7	Certified true copies of Memorandum and Articles of Association/Document of Constitution, Certificate of Incorporation, Certification of Commencement of Business, Charter Documents, Other Constitution documents i.e. Partnership Deed etc., as may be applicable, Registration Certificate for AIFs/funds as may be applicable to the Interested Party/Consortium Member /Parent. However, if IP / Consortium Member / Parent cannot submit any of the following documents, it shall state the reason for the same	
8	An undertaking by Company Secretary/ any other officer in charge of legal affairs, stating that IP/Consortium Member/Parent is eligible to participate in the proposed Sale in terms of Clause _____ of its Memorandum and Articles of Association/_____ (name of Document of Constitution as may be applicable). (Specific provision may be reproduced in certificate)	
9	An undertaking by Company Secretary/ any other officer in charge of legal affairs, stating that IP/Consortium Member/Parent does not attract disqualification vide Office Memorandum No. 3/9/2016-DoD-II-B dated: 28 th September 2017 issued by DIPAM (Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment	
10	Basis of eligibility for participation in the process (please mention basis and attach supporting documents)	
11	A certificate by an independent chartered accountant, statutory auditor / Company Secretary or any other officer in-charge of secretarial / legal affairs for the shareholding pattern of the IP/ Consortium Member / Parent including the details establishing ultimate beneficial owner of the IP as of the date of submission of the Expression of Interest (“EOI”).	
12	Latest Audited Annual Reports (as of date not earlier than 31 st December 2019)	

	<p>Certificate for fulfilment of Financial Criteria: Please provide an independent chartered accountant/statutory auditor certificate certifying criteria for IP/ Consortium Member/Parent as specified in the Eligibility Criteria section of the PIM</p> <p>Certificate for fulfilment of Financial Criteria should clearly mention the following:</p> <ul style="list-style-type: none"> • The date of Net Worth calculation for which Net Worth details have been submitted. • That the Net Worth calculation has been done in accordance with the stipulations under the Eligibility Criteria section of the PIM. • In case the IP/ Consortium Member/Parent are not required to prepare consolidated financial statements as a part of statutory requirements, the same should be mentioned in the certificate (in such a case, the standalone financial statements are to be used for assessment. However, the same would be accepted only if the certificate for fulfilment of Financial Criteria clearly mentions the non-requirement for preparation of consolidated financial statements) • The certificate should clearly mention that the issuing authority is Statutory Auditor or independent chartered accountant (as applicable), for the IP/Consortium Member/Parent. • It should clearly specify the cross holdings among Consortium Members, if any. • The financial statements on the basis of which the Financial Criteria have been assessed correspond to accounting periods completed (each of not less than 12 months' duration) and are not based on partial periods. 	
13	Equity contribution of member in the Consortium (if applicable).	
14	Nature of business carried out/ products dealt with by the IP/ Consortium Member/Parent and a profile containing information on the IP's/ Consortium Member's/Parent's operations.	
15	A profile containing information on Company/Associate's area of operations, capability of the IP/Consortium Member/Parent, as demonstrated in its past track record, to run its own business.	
16	List of board of directors along with an overview of the IP's senior management and organization structure including effective place of management of business of IP as on EOI	

	submission date certified by the company secretary of the IP or any Consortium Member/Parent	
17	Summary of the roles and responsibilities of the directors and key management personnel of the IP/Consortium Member/Parent certified by the company secretary of the IP/Consortium Member/Parent	
18	Brief write up of the IP's of their international operations, joint ventures / alliances (whether international or domestic), nature and size of such operations, equity ownership along with copy of audited financial statements of immediately preceding financial year	
19	The names and addresses of those companies and the professional firms, if any, who are (or will be) advising the IP/Consortium Member/Parent, together with the names of the principal individual advisors at those companies and firms.	
20	Date & Place of Incorporation of IP/ Consortium Member/ Parent	
21	Date of commencement of business of IP/ Consortium Member/ Parent	
22	Role/ Interest of each member in the Consortium (if applicable)	
23	Full Address for correspondence including phone no, fax no, email & web address of IP/ Consortium Member/ Parent	
24	Details of Contact persons i.e. Name, Designation, Phone No., Mobile No., Fax No. & Email	
25	Salient features of financial performance for the last three years	
26	Statutory Auditor's / independent chartered accountant's certificate certifying the Net Worth as on date of the latest audited annual reports, along with methodology for calculation of Net Worth	
27	Please provide details of all contingent liabilities (as per the latest audited balance sheet used for meeting the Net Worth criteria for qualification) and pending litigation of IP / Consortium Member and Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the IP/ Lead Member for the purpose of fulfilling the Financial Criteria)) that, if materialized, would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of SCIL, or other similar business combination or sale.	
28	A detailed statement showing contractual disputes and litigation/ arbitration in the recent past along with parties and amount involved in such disputes and litigation/ arbitration.	
29	A statement showing pending litigations that, if decided against the IP, Consortium Members and Parent shall disqualify the IP	

	in terms of prescribed Eligibility Criteria and extant government on disinvestment.	
30	An affidavit certifying the correctness of documents submitted in the EOI	
31	Provide documents such as a board or shareholders' resolution in favour of the person executing the Power of Attorney for the delegation of power on behalf of the IP/ Consortium Member/Parent. Note: The date of execution of board or shareholders' resolution should be prior to the date of execution of the Power of Attorney	

Sincerely,

Authorised Signatory for and on behalf of the (IP/ Consortium Member/Parent)

Note: Please follow the order adopted in the format provided. If the Interested IP or any member of Consortium is unable to respond to a particular question/ request, the relevant number must nonetheless be set out with the words 'No response' against it.

Annexure V – Declaration for legal proceedings

(On the letterhead of the sole bidder/each member of the Consortium)

DECLARATION

- 1) We solemnly declare that neither we the IP/Consortium Member and Parent (wherever applicable i.e. where Net Worth of the Parent is being counted by the IP/Lead Member for the purpose of fulfilling the Financial Criteria) are convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the country. Neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.

The term “Grave Offence” shall have the same meaning as set forth in the Office Memorandum dated 28th September 2017 on “Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment”.

- 2) We further declare that in regard to matters relating to security and integrity of the country, no charge sheet has been filed against IP/Consortium Member/its/their directors, or respective Subsidiaries, or, Associate Companies or any of our Promoters or Promoter Group members by any agency of the Government of India or convicted by a court of law.
- 3) We further declare that no investigation by a regulatory authority is pending either against the IP, Consortium Member and Parent (wherever applicable i.e. where Net Worth of the Parent is being counted for the purpose of fulfilling the Financial Criteria).
- 4) We further declare that no legal proceedings by or against the IP/Consortium Member and its/their respective Subsidiary and Associate Companies thereof and Parent (in the event Net Worth of the Parent is being counted for the purpose of fulfilling the Financial Criteria) by or against SCIL or its directors in capacity as directors of SCIL, have been initiated or is in existence, which proceeding may be prejudiced by the participation of the IP or any Consortium Member in the selection process or the Transaction.
- 5) We declare that true, correct and complete information as required is provided in the EOI, all related documents, including all annexures thereto.
- 6) We solemnly declare and undertake not to, directly or indirectly, communicate with any officer/employee of DIPAM or MOPSW or SCIL either before or after submission of our EOI.
- 7) We further declare that we shall not, directly or indirectly, disclose our intent/willingness to participate as an Interested Party (IP) in EOI process to any officer/employee of DIPAM or MOPSW or SCIL at any time from the date of issue of this EOI.
- 8) We comply with the Office Memorandum No. 3/9/2016-DD-II-B Dated: 28th September 2017, (refer Annexure XIV), as amended from time to time.

(Name and Signature of Authorised Signatory)

(IPs Name)

(IPs Address)

In case of any IP is unable to give above undertaking in view of any conviction, indictment, order or investigation as above full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/ investigating agency, status/outcome etc. with supporting/ relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

Annexure VI – Deed of Confidentiality Undertaking

[ON STAMP PAPER of APPROPRIATE VALUE]

This DEED OF CONFIDENTIALITY UNDERTAKING ("Undertaking") is made on this [.] day of [.] , 2020. BY [.] , a company incorporated under the Companies Act, [1956/2013] bearing corporate identity number [.] and having its registered office at [.] (the "IP"): "

OR

[The permanent employees of SCIL, as listed in the table below:

S. No.	Name of Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Aadhar No / Passport No)	PAN and Tan

(herein after called "**Employees**", which expression shall include its successors, executors, and permitted assigns);

AND

M/s ____ [insert name of bank/financial institution/venture capitalist fund] a [bank/financial institution/venture capitalist fund] incorporated under the laws of [insert name of country] and having its [Registered Office or Principal Place of Business] at (hereinafter called "**Employee Consortium Member**", which expression shall include its successors, executors and permitted assigns);

IN FAVOR OF

The President of India, as represented by and acting through the Secretary, Ministry of Ports, Shipping and Waterways at Parivahan Bhavan, 1, Parliament Street, New Delhi - 110001 (the "**Administrative Ministry**")

and

Shipping Corporation of India Limited, a company incorporated under the Companies Act, 1956 bearing corporate identification number [] and having its registered office at [] (the "SCIL" or the "Company"), which expression shall include its successors and permitted assigns).:

and

Advisor

WHEREAS:

- a. The IP along with Consortium Members (as defined hereinafter) has submitted an expression of interest for participation in the proposed sale by SCIL of 63.75% percent of its equity shares held by GOI (the "Transaction") and has been shortlisted as a "Qualified Interested Party" and

- b. In the context of the IP's interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the IP to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the IP hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein:

1. In this Undertaking (including the recitals):

"Advisor" means RBSA Capital Advisors Limited

"Confidential Information" means and includes any and all facts, knowledge, investigation, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of the Company, its affiliates, associates or Subsidiaries (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of the Company and new businesses (if any) proposed to be undertaken by the Company, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to licence to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to the Company's operations prepared by external consultants which are proprietary to the Company or the GOI or DIPAM, and any information memorandum or draft/ final offer document, request for proposal, drafts of shareholders and share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this Undertaking:

- a) Information which the IP can prove was already in the possession of the Receiving Party and was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party

The decision of the Government and/or the Company on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Consortium" means the IP, whether already incorporated or to be incorporated in the future, and all other Consortium Members acting in concert with the IP intending to directly or indirectly participate in the Transaction.

"Consortium Members" means the members of any existing or future Consortium, formed by the IP for purposes of the Transaction and shall include members (i) who have submitted the Statement of Legal Capacity in the form specified in the "EOI Package" as described in the "Request for Expression of Interest" announcement by DIPAM for participation in disinvestment of the Company in respect of the Transaction as part of any existing consortium, or (ii) of a future consortium previously approved in writing by the DIPAM; in each case formed by the IP for purposes of the Transaction.

"Disclosing Party" means MOPSW, DIPAM, the Advisor, the Company, and/or their respective Representatives.

"Government" means the Government of India through the Department of Investment & Public Asset Management ("DIPAM").

"Governmental Authority" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.

"Receiving Party" means the IP, Consortium Members and/or their respective Representatives, whether jointly or severally

"Representative(s)" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

"Person" means any individual, company (including the Company and the Advisor), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision).

2. The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and the Receiving Party shall not, without the Company's as well as the Government's prior written consent or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the IP wishes to proceed with the Transaction and not for any purpose other than the Transaction and the Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party.

In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the IP's execution of this Undertaking, the IP, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The IP agrees (a) to disclose Confidential Information only to Consortium Members and/or those of its Representatives and/or those Representatives of Consortium

Members who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Consortium Member or Representative of the IP or Representative of Consortium Member will be informed and advised in writing by the IP of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Consortium Member and/or Representative of the IP or any Representative of Consortium Member will hold and treat the Confidential Information in confidence and act in accordance therewith. The IP agrees that the Confidential Information shall not, without the Company's as well as the Government's prior written consent, be disclosed by the IP or each such Consortium Member and/or Representative of the IP or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the IP or each such Consortium Member or Representative of the IP or Representative of Consortium Member other than in connection with an evaluation of the Transaction. The Lead Member will be responsible for disclosure of Confidential Information by its Representative (who has it on a need to know basis) in violation of this Undertaking. For the avoidance of doubt, Lead Member shall cause the Consortium to fulfil their obligations. The Lead Member therefore shall be liable for any failure or breach by the Consortium.

4. The IP recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to the Company and the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The IP acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The IP, before disclosing any of the Confidential Information to any Consortium Member(s), shall ensure that such Consortium Member(s), has already executed and furnished to the Advisor, a written undertaking identical in form and content as this Confidentiality Undertaking in favour of the Government, the Company and the Advisor. The IPs, before disclosing any of the Confidential Information to any of its Representative(s) and /or Representatives of the Consortium Members, as the case may be, shall ensure that its Representative(s) / Representatives of the Consortium Members, as the case may be, have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein.

Notwithstanding any agreement or undertaking, the IP agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Consortium Member and/or Representative of the IP and/or the Representative of Consortium Member and shall indemnify and hold the Government, the Company, and the Advisor harmless (including provisions of **Clause 7 and 16** set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom. In case of Consortium, the IP agrees that for the purpose of this Confidentiality Undertaking, the liability of the IP shall be joint and several with each of the Consortium Members.

5. Except as permitted by **Clause 5** herein and except as expressly permitted by a share purchase agreement, or any other definitive agreements, if any, entered into by the IP, the Consortium Members and/or any company formed and promoted by them for the acquisition of equity shares of the Company, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information or that the Receiving Party had

discussion or negotiation in relation to the Transaction. Except with the prior written consent of the Company and the Government, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.

6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the IP hereby jointly and severally indemnifies and agrees to hold the Advisor, the Government and the Company indemnified and harmless (without prejudice to **Clause 16** set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.

If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self-regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisor, the Government and the Company with prompt written notice of such request so that the Advisor, the Government or the Company may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the IP's legal counsel (reasonably acceptable to the Advisor, the Government and the Company), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.

7. The confidentiality obligations contained in this Undertaking may at the discretion of the Government, the Company and the Advisor, be amended, Modified or superseded upon the IP and the Consortium Members and/or any company formed and promoted by them executing a definitive agreement, but shall be without prejudice to any of the Advisor', the Government's or the Company's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, Modification or supersession.

The IP agrees that the Government reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the IP and/or to reject any or all proposals made by the IP with regard to the Transaction. The Government may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the IP in connection with its evaluation of the Transaction.

The Government and/or the Company may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by the Government and/or the Company, or after the decision of the IP to not proceed with the Transaction as specified in **Clause 8** above, (i) the IP (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Advisor, the

Government or the Company request or give prior written consent to the IP's request, the IP will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the Receiving Party. Any such destruction pursuant to the foregoing must be confirmed by the IP in writing to each of the Advisor, the Government and the Company (such confirmation must include a list of the destroyed materials). The IP acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking.

8. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of the Government or the Company regarding the business, operations, prospects or finances of the Company, without the Advisor' prior written consent, unless otherwise agreed to in an executed shareholders' agreement entered into in connection with the purchase by the IP and the Consortium Members and/or any company formed and promoted by them, of equity shares of the Company. It is understood that the Advisor will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisor in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisor. However, if the Receiving Party is called upon by the Government and/or the Company for any discussions, the Receiving Party will do so or meet the Government and/or the Company only after duly informing the Advisor in writing.
9. The Government reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the preceding sentence, nothing in this Undertaking (i) requires either the IP or the Government to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisor, the Government or the Company to enter into an agreement or an understanding, or prohibits the Advisor, the Government or the Company from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
10. The Receiving Party agrees that from the date of this Undertaking till the completion of the Transaction or as the case may be, till the time the IP and/or Consortium Members decide not to proceed with the Transaction, whether pursuant to **Clauses 8 or 9 or 11**, whichever is earlier, the Receiving Party shall not, directly or indirectly, buy, sell, negotiate, or enter into any arrangements for the purchase and / or sale of any of the shares of the Company, or advise any other person directly or indirectly to buy, sell, negotiate or enter into any arrangements for purchase and / or sell any of the shares of the Company, or take any action or make any statement or announcement that may affect the price of the shares of the Company on any stock exchange or elsewhere or which may affect the existing shareholding structure of the Company.
11. The IP understands, acknowledges and agrees that the Government, the Advisor and the Company retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the IP's use of the Confidential Information. The IP also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms

of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither the Government nor the IP will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.

12. The IP hereby indemnifies and agrees to hold the Advisor, the Government and the Company indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the IP also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisor, the Government or the Company will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisor, the Government and/or the Company
13. The IP understands, acknowledges, confirms and agrees that each of the Government, the Company and the Advisor are beneficiaries under this Undertaking. The IP further agrees and confirms that each of the Government, the Company and the Advisor, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
14. The Receiving Party agrees that, in case the IP or any Consortium Member, as the case maybe, decides not to proceed with the Transaction, or if the Government, Company or the Advisor notifies the IP or any Consortium Member, as the case maybe, that the Government or the Company does not wish the IP or any such Consortium Member, as the case maybe to consider the Transaction any further, the terms of the Undertaking shall survive even subsequent to the date of receipt of notification of such decision by the GOI or Advisor.
15. The IP agrees that no failure or delay by the Advisor/the Government / the Company in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
16. The terms of this Undertaking may be varied only with the Company's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
17. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
18. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage prepaid, or by telex or cable as follows.

If the Notice is to the Government

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If the Notice is to the Advisor

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If the Notice is to the Company

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If the Notice is to the IP

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Any of the IP, the Government, the Company or the Advisor may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the IP on the date and year first hereinabove written.

Witnessed by: (Name of IP)

Name: By: Address: Name: Title:

Annexure VII – Power of Attorney for Lead Member of the Consortium

Power of Attorney for Signing of EOI

To all to whom these presents shall come, we _____ (Name of the entity) having our registered office at _____ (address of the registered office)

[Or in case of employee bids:

To all to whom these presents shall come, I son/daughter/wife of _____ and presently residing at _____ being a presently employed with [], having employee code [] do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr. / Ms. (name), _____ son/ daughter/ wife of _____ and presently residing at _____, who is presently employed with []

do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr. / Mrs. (name) _____ son/ daughter/ wife of _____ presently residing at _____, who is presently employed with (us/ the lead member of consortium) and holding the position of _____, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do, execute, and perform in our name and on our behalf all such acts, agreements (with or without any amendments or modifications), deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for the proposed Strategic Disinvestment of the shares held by Government of India in Shipping Corporation of India ("SCIL"), including but not limited to, signing and submission of the EOI, request for qualification, affidavits, applications and other documents and writings, as may be required from time to time, participate in Pre-Bid and other conferences and providing information/ responses to GOI/Advisor and generally dealing with Advisor/ SCIL/ GOI in all matters in connection therewith or relating thereto or arising out of the foregoing.

AND we hereby agree to ratify and confirm, and do hereby ratify and confirm, all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney; and we do hereby confirm that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same ourselves.

All the terms used herein but not defined shall have the meaning ascribed to such terms in the EOI/ PIM dated [*] inviting expressions of interest for the Strategic Disinvestment of SCIL by way of acquisition of 100% shareholding of GOI in SCIL.

We confirm and declare that we have not executed any other power of attorney in favour of any other person(s) in relation to the subject matter of this power of attorney and this power of attorney is irrevocable.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

(Name, Title & Address of Attorney)

(To be duly notarized/ apostilled as relevant)

Notes:

- 1) The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized. The Non Judicial Stamp Paper and notarization shall be at the place where the POA is being executed. Stamp Duty to be paid shall be as per the requirement of applicable law including the stamping requirements in the state where it is being executed.
- 2) The IP should submit for verification, the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the IP.
- 3) For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by IPs from countries that have signed The Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.

Annexure VIII – Consortium Agreement

(To be on non – judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)

THIS Consortium Agreement (“**Agreement**”) is executed on this the _____ the day of _____ between:

- 1) M/s [insert name of lead member] _____ a Limited Liability Partnership firm or company incorporated under the laws of _____ and having its registered office at _____, having CIN/ LLPIN _____ (hereinafter called the “**Member 1**”, which expression shall include its successors, executors and permitted assigns);
- 2) M/s _____ a Limited Liability Partnership firm or company incorporated under the laws of _____ and having its registered office at _____, having CIN/ LLPIN _____ (hereinafter called the “**Member 2**”, which expression shall include its successors, executors and permitted assigns); and
- 3) M/s _____ a Limited Liability Partnership firm or company incorporated under the laws of _____ and having its registered office at _____, having CIN/ LLPIN _____ (hereinafter called the “**Member 3**”, which expression shall include its successors, executors and permitted assigns); and

For the purpose of submitting the response to the advertisement dated _____ inviting Expression of Interest for Strategic Disinvestment of 100% equity shareholding of the Government of India in Shipping Corporation of India (“SCIL”), which is equivalent to [63.75] % of the total paid up equity share capital of SCIL (“Strategic Disinvestment”) (“Advertisement”).

Each Member individually shall be referred to as the "Member" or "Party" and all of the Members shall be collectively referred to as the "Members" or "Parties" in this Agreement.

WHEREAS, GOI had invited an Expression of Interest (“EOI”) via the Advertisement from parties interested in acquiring the stake of the GOI in SCIL in the Strategic Disinvestment.

WHEREAS, the Members are interested in acquiring the said stake in the Strategic Disinvestment.

WHEREAS, the Preliminary Information Memorandum date [] (“PIM”) for submitting EOI stipulates that in case EOI is being submitted by a Consortium of IPs, the Members of the Consortium will have to submit a legally enforceable Consortium Agreement in a format specified in invitation of EOI.

All the terms used in capitals in this Agreement but not defined herein shall have the meaning as per EOI/PIM.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

In consideration of the above premises and agreements all the Members in this Consortium do hereby mutually agrees as follows:

- 1) We, the members of the Consortium and Parties to this Agreement, have formed a consortium comprising of _____ members as follows:

- i. _____ (Insert name)/ % of shareholding in consortium
 - ii. _____ (Insert name)/ % of shareholding in consortium
 - iii. _____ (Insert name)/ % of shareholding in consortium
- 2) We do hereby unequivocally agree that Member -1 (M/s _____), shall act as the Lead Member of our Consortium as defined in the EOI for self and on behalf of Member-2, _____, Member – 3, for the Strategic Disinvestment and all matters relating to, arising out of or in connection therewith, including, for submitting the EOI.
 - 3) We undertake that after the submission of the EOI, the composition of the Consortium shall be maintained as required in terms of the PIM/EOI.
 - 4) The Lead Member is hereby authorized by the Members of the Consortium and parties to the Agreement to bind the Consortium and receive instructions for and on their behalf.
 - 5) The Lead member, on behalf of the Consortium, shall inter alia be responsible for liaising with any authority or persons as required and to do all acts necessary for and on behalf of the Consortium.
 - 6) Lead Member shall contribute no less than 50.01% of the financial bid offered.
 - 7) We understand and acknowledge that if the Consortium is the successful bidder it will have to do the acquisition of the GOI's stake in the Strategic Disinvestment through a special purpose vehicle ("Investment Vehicle"). We undertake to incorporate the Investment Vehicle after the submission of our EOI and prior to entering into definitive agreements, including the share purchase agreement, in connection therewith. Our respective shareholding, on a fully diluted basis, in the Investment Vehicle will be same as that in the Consortium.
 - 8) The Lead member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in connection with the Transaction.
 - 9) Each member of the Consortium shall meet its financial commitment to Consortium and shall otherwise fulfil all of its obligations under this Agreement.
 - 10) The members of the Consortium shall be jointly responsible and liable for the Consortium to fulfil all of its obligations relating to the EOI including inter alia the RFP and definitive agreements entered into by Consortium of Investment Vehicle with Government of India, irrespective of their financial commitments to the Consortium. The Lead Member shall, irrespective of its financial commitment to the Consortium, additionally, be severally responsible for ensuring the individual and collective commitment of each of the Members of the Consortium in discharging all of their respective obligations in connection with the EOI and any other documents related to Strategic Disinvestment such as RFP, definitive agreements entered into with the Government of India, and Lead Member shall be liable for consequences of breach of the aforesaid documents by the Members of Consortium.
- Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Consortium Members under this Agreement.
- 11) It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under this Agreement and the Transaction except with prior written consent of GOI.

- 12) We acknowledge that we have read and understood the Preliminary Information Memorandum issued by Government of India and will abide by all the terms and conditions mentioned therein. We will also always abide by the terms of the RFP and any other document applicable to us, issued by Government of India. In case of any inconsistency between this Agreement and aforesaid documents, the terms of the aforesaid documents will apply.
- 13) This Agreement:
- i. has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member.
 - ii. sets forth the entire understanding of members hereto with respect to the subject matter hereof; and
 - iii. may not be amended or modified except in writing signed by each of the Members and without prior written consent of GOI
- 14) This Agreement shall come into effect on the day first above written and shall remain valid until the Consortium has any unfulfilled obligation. In the event however the Consortium is the successful bidder and the Investment Vehicle signs the definitive agreements, this Agreement will be valid for so long as the Investment Vehicle has any unfulfilled obligations under such agreements.
- 15) This Agreement shall be construed and interpreted in accordance with the laws of India. The courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto, in connection therewith, or arising thereunder.

IN WITNESS WHEREOF, the Members have, through their authorized representatives, executed these present on the Day, Month and Year first mentioned above.

For M/s _____ [**Member 1**]

_____ (Signature, Name & Designation of the person authorized vide board resolution/ power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [])

Witnesses:

i. Signature

Name:

Address:

ii. Signature

Name:

Address:

For M/s _____ [**Member 2**]

_____ (Signature, Name & Designation of the person authorized vide board resolution/ power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [])

Witnesses:

i. Signature _____
Name:
Address:

ii. Signature _____
Name:
Address:

For M/s _____ [**Member 3**]

_____ (Signature, Name & Designation of the person authorized vide board resolution/ power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [])

Witnesses:

i. Signature _____
Name:
Address:

ii. Signature _____
Name:
Address:

[Signature and stamp of Notary of the place of execution]

Annexure IX – Power of Attorney for Employees Participation

(TO BE ADEQUATELY STAMPED AND NOTARIZED)

Special Power of Attorney

To all to whom these presents shall come, I son/daughter/wife of and presently residing atbeing presently employed with [●], having employee code [●] do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name).....son/daughter/wife of and presently residing at , who is presently employed with [●]

To all to whom these presents shall come, I, [●], do hereby irrevocably nominate, constitute and appoint as my true and lawful attorney (hereinafter referred to as the “Attorney”) to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares held by the Government of India in SCIL including but not limited to signing and submission of all applications, participate in pre-bid and other conferences, and providing information/ responses to GOI/ Advisor and generally dealing with GOI/Advisor/Company in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the PIM dated [●]) issued by RBSA.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this power of attorney (“Power of Attorney”) and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used but not defined herein shall have the meaning ascribed to such terms in the PIM.

We confirm and declare that we have not executed any other power of attorney in favour of any other person(s) in relation to the subject matter of this power of attorney and this power of attorney is irrevocable.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized.
2. Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.
3. For a Power of Attorney executed and issued overseas, the document will also have to be legalized using a different procedure as per applicable law.

Annexure X – Undertaking from Parent Entity, if applicable

UNDERTAKING BY THE PARENT ENTITY OF THE IP

(To be typed on the letterhead of the Parent Entity of the IP submitting the EOI)

To,
Mr. Ajay Malik / Mr. Suchismit Ghosh
RBSA Capital Advisors LLP
2nd Floor, IAPL House
23, South Patel Nagar
New Delhi – 110 008, India

Reference No. _____

Date _____

Sub: UNDERTAKING IN RESPECT OF THE EOI SUBMITTED BY OUR GROUP ENTITY IN RESPONSE TO THE INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 29,69,42,977 EQUITY SHARES (63.75%) HELD BY GOVERNMENT OF INDIA IN SHIPPING CORPORATION OF INDIA

Sir/Madam,

This is with reference to the advertisement dated [] ("**Advertisement**") inviting Expression of Interest ("EOI") for sale of Government of India ("GOI") of such number of shares representing 63.75 percent (%) of the equity share capital of Shipping Corporation of India ("SCIL"), a company registered under the Companies Act 1956, having its registered office at Shipping House, Madam Cama Road, Mumbai, Maharashtra- 400 021, India ("**Strategic Disinvestment**")

In continuation of the EOI dated _____ having Reference No. _____ submitted by _____ (hereinafter referred to as "**Interested Party**" or "**IP**"), the undersigned being the duly authorised to represent and act on behalf of [*insert name of the Parent entity*] (hereinafter referred to as the "**Parent Entity**"), and having fully understood the qualification requirements and information and undertakings provided by the IP pursuant to the submission of EOI (*defined below*), hereby confirm and undertake that:

1. We have read and understood the contents of the Advertisement and the Invitation for Expression of Interest dated [●] ("**EOI**") and the undertaking and documents submitted by the IP pursuant to the EOI.
2. The IP is the [subsidiary]/[associate]¹ company of [*insert name of the Parent entity*] and that our ownership stake in the IP is _____ % equity shareholding on a fully diluted basis.
3. [*Insert name of Parent Entity*] shall be jointly and severally liable along with the IP for any obligation of the IP under the definitive agreements or any document and undertaking executed by the IP pursuant to the EOI and Transaction or completion thereof. We will also sign / be parties to all definitive agreements as required;

4. All conditions prescribed in the EOI and the undertaking provided by the IP, including the criteria for qualification and disqualification shall be applicable to [*Insert name of Parent Entity*] and we undertake to comply with all such conditions.

We have the requisite corporate authorisation to submit this Undertaking.

_____ (Signature of Authorised Signatory)
_____ (Name of Authorised Signatory)
_____ (Designation of Authorised Signatory)
_____ (Name of the Parent Entity)

Annexure XI – Statutory Auditor or independent chartered accountant’s certificate

(Certifying that Net Worth, as defined in Eligibility Criteria, along with a detailed calculation of the Net Worth. In case the latest audited annual accounts of an IP are not available then the IP shall submit a certificate from its statutory auditor certifying the Net Worth along with the methodology used for calculating such Net Worth as applicable.)

<<On the Letterhead of the Statutory Auditor or independent chartered accountant (as applicable)>>

The certificate for fulfilment of Financial Criteria should clearly mention the following:

- The date of Net worth calculation for which Net worth details have been submitted.
- That the Net worth calculation has been done in accordance with the stipulations under the Eligibility Criteria section of the PIM.
- In case the IB/ Parent of Sole Bidder /Consortium Member are not required to prepare consolidated financial statements as a part of statutory requirements, the same should be mentioned in the certificate (in such a case, the standalone financial statements are to be used for assessment. However, the same would be accepted only if the certificate for fulfilment of Financial Criteria clearly mentions the non-requirement for preparation of consolidated financial statements)
- The certificate should clearly mention that the issuing authority is Statutory Auditor or independent chartered accountant (as applicable), for the IB/Consortium Member
- It should clearly specify the cross holdings among Consortium Members, if any.
- The financial statements on the basis of which the Financial Criteria have been assessed correspond to accounting periods completed (each of not less than 12 months’ duration) and are not based on partial periods.

Annexure XII - A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business or equivalent charter documents.

Annexure XIII - Audited financial statements and annual reports for the five immediately preceding financial year, the last such year as on or later than 31st December 2019.

Annexure XIV – DIPAM Guidelines 2017

Department of Investment and Public Asset Management (DIPAM) Guidelines

No. 3/9/2016 – DOD –II - B
Government of India
Department of Investment and Public Asset Management
Block No. 14, CGO Complex
New Delhi

Dated: September 28, 2017

Sub: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification / disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment / adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. "Grave Offence" is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case-to-case basis after considering the facts of the case and relevant legal principles, by the Government. "Grave Offence" would include the below noted cases:
 - i. Only those orders of SEBI are to be treated as coming under the category of "Grave Offences,, which directly relate to "Fraud,, as defined in the SEBI Act and / or regulations
 - ii. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse
 - iii. Any conviction by court of law
 - iv. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law
- b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or its Associate Company as defined in Companies Act, 2013 would result in disqualification. The decision in regard to the relationship inter se between the concerns, would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons.
- c) In both (a) and (b), disqualification shall continue for a period that government deems appropriate

- d) Any bidder, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order, based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- f) Before disqualifying a bidder, a Show Cause Notice as to why it should not be disqualified, would be issued to it and it would be given an opportunity to explain its position.

These criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above or the eligibility criteria prescribed in the EOI, is pending against them. In case any investigation is pending in case which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above on the eligibility criteria prescribed in EOI against the bidder or the concern in which the bidder has substantial interest or against its CEO or any of its Directors/Managers, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be filed along with EOI.

Annexure XV – Management / Employees Guidelines for EOI

DIPAM Guidelines for Employees Bid

No. 4/38/2002/DD - II
Government of India
Ministry of Disinvestment
Block No. 14, CGO Complex
Lodi Road, New Delhi

Dated: April 25, 2003

OFFICE MEMORANDUM

Subject- Guidelines for management – employees bids in strategic sales

- 1) Employee participation and protection of employee interests is a key concern of the disinvestment process. The practice of reserving a portion of the equity to be disinvested for allocation to employees, at concessional prices, has been adopted in a number of cases. It is necessary and expedient to evolve and lay down guidelines to encourage and facilitate management-employee participation in strategic sales and thus to acquire controlling stakes and manage disinvested public-sector undertakings. The undersigned is directed to state that Government has, therefore, decided to lay down the following guidelines for evaluating employee/management bids:
 - i. The term 'employee' will include all permanent employees of a PSU and the whole-time director on the board of the PSU. A bid submitted by employee or a body of employee will be called an "employee bid".
 - ii. At least 15% of the total number of the employees in a PSU or 200 employees, whichever is lower, should participate in the bid.
 - iii. An employee bid would be exempted from any minimum turn over criterion but will be required to qualify in terms of the prescribed net worth criterion. They will be required to follow the procedures prescribed for participation by Interested Parties in the process of strategic sales including, but not limited to, filling the expression of the interest along with all details, as applicable to other investors, furnishing of bank guarantee for payment of the purchase price etc.
 - iv. Employees can either bid directly and independently or, for the purpose of meeting the financial criteria the like net worth, can form a consortium or bid through a joint venture (JV) or a special purpose vehicle (SPV), along with a bank, venture capitalist or a financial institution. However, employees will not be permitted to form consortia with other companies.
 - v. If the bidding entity of the employees is a consortium, JV or SPV, employees must have a controlling stake and be in control of the bidding entity.
 - vi. If the bid is submitted through a consortium, JV or SPV, employees must contribute at least 10% of the financial bid.

- vii. If the employees form a consortium, the consortium partners would be prohibited from submitting individual's bids independently.
 - viii. If it is not the highest bid, the employee bid shall be considered only if the said bid is within 10% of the highest bid.
 - ix. The employee bid shall, subject bid fulfilling the conditions above, have the first option for acquiring the shares under offer provided they match the highest bid being equal to or more than the reserve price.
 - x. If the employee bid is not the highest bid and there are more than one employee bids within the 10% band, the highest of the employee bids will have precedence for purchase at the highest bid. If such employee bidder is unwilling or unable to match the highest bid, the option will pass on to the next highest employee bid and so on till all the employee bids, within the 10% band, are exhausted.
 - xi. In the event of no employee bidder, within the 10% band, being willing or able to match the highest bid, the shares under offer will be sold to the highest bidding entity.
 - xii. There will be a lock in period of three years for the shares disinvestment by the Government.
- 2) All the bidders for the management employee buy-outs will also have to satisfy the provisions of the 'Guidelines for qualification of bidders seeking to acquire stakes in Public sector Enterprise through the process of disinvestment' issued vide the then Department of Disinvestment's Office Memorandum No. 3/9/2016-DD-II-B Dated: 28th September, 2017 or as amended subsequently along with other qualification criterion as generally applicable and not specifically excluded herein.

Criteria for Employees participation in the Transaction

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 ("Employee Guidelines") which is annexed as Annexure XV, employees of CPSE ("Employees") are permitted to participate in the Transaction as IPs either (a) directly and independently ("Direct Employee Participation") or (b) by forming of a consortium ("Employee Consortium") and subject to the following:

- 1) Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall necessarily comply with each of the applicable conditions and provisions of the Employee Guidelines.
- 2) Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be subject to the same terms and conditions, process, instructions, criteria's, disqualifications, etc. which are applicable to other IPs in this PIM/EOI and shall ensure compliance of the same. In case of any conflict between the terms and conditions, process, instructions, criteria's, disqualifications, etc. and the Employee Guidelines, the Employee Guidelines shall apply.
- 3) Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be required to provide such additional documents, confirmation, undertakings and information as the TA may require so as to evaluate the EOI (including eligibility criteria) submitted by such Employees or Employee Consortium.
- 4) The GOI & TA may provide for such further clarifications, conditions, criteria's as it may deem necessary for the purposes of Employees to participate.

- 5) Subject to paragraph 7, the forms and format to be submitted by the Employees, in case in of Direct Employee Participation shall be the same as that of a sole/individual IP mentioned in this document.
- 6) Subject to paragraph 7, the forms and format to be submitted by the Employees and Consortium Member of Employee Consortium, in case of employees participating through an Employee Consortium, shall be the same as that of a consortium IP
- 7) In the forms and format, the details of the participating Employees shall be provided in the following format:

S. No.	Name of Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Aadhar No/ Passport No)	PAN and Tan

- 8) Each form and EOI submitted by Employees (whether as Direct Employee Participation or Employee Consortium) shall be accompanied by a duly executed Power of Attorney where Employees forming part of such participation shall appoint one participating Employee to be their lawful attorney for submission of EOI and connected documents and be the lawful attorney of the other participating Employee. The format of the Power of Attorney is annexed.
