

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
(DIPAM)
LOK SABHA
UNSTARRED QUESTION No. 603
TO BE ANSWERED ON MONDAY, JULY 24, 2023/
SRAVANA 2, 1945 (Saka)

Shipping Corporation of India

603: SHRI VINAYAK RAUT

SHRI ARVIND GANPAT SAWANT

Will the Minister of FINANCE be please to state:

- (a) whether the Government is planning to bring disinvestment scheme in Shipping Corporation of India;
- (b) if so, the details thereof along with the amount involved therein as per present plan;
- (c) the value of non-core assets of the Shipping Corporation of India for the last eight years till date;
- (d) whether the land has been acquired by the Shipping Corporation of India in various States and if so, the area of land, State-wise;
- (e) whether the Government has set up a new organization to monetise the land and assets of the Shipping Corporation of India; and
- (f) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KISHANRAO KARAD)

(a)&(b): CCEA in its meeting held on 20.11.2019 accorded "in-principle" approval for strategic disinvestment of Government of India shareholding of 63.75% in Shipping Corporation of India Limited (SCIL) along with transfer of management control. Preliminary Information Memorandum (PIM)/Expression of Interest (EoI) was floated on 22.12.2020. Multiple EOIs were received by the due date for submission (01-03-

2021). The eligible bidders were shortlisted and due diligence process is underway in the second stage of the transaction.

As part of the transaction design, the non-core assets of Shipping Corporation of India were to be demerged to Shipping Corporation of India Land and Asset holding company (SCILAL). On 23 February, 2023, Ministry of Corporate Affairs issued the demerger order under the relevant provisions of the Companies Act.

The strategic disinvestment process is based on an open, transparent, competitive bidding process where the QIBs participate and the sale price is discovered.

(c) The value of non-core assets (land & buildings) of the SCI for the last 8 years till date as per the accounts is given at **Annexure-I**. The freehold land has been measured at fair value in transaction year (FY 2016-17) w.e.f. 01 April 2015 & that fair value is used as the deemed cost. Other assets (including leasehold land, buildings, flats) are at their existing book value in the transition year, after accounting for appropriate depreciation. Further, these are demerged/transferred to SCILAL which will continue as a Government company and is not a part of strategic disinvestment of government shareholding of SCI.

(d) The details of land of Shipping Corporation of India in various States are given at **Annexure-II** (these land parcels have now demerged/transferred to another Government company called SCILAL).

(e)&(f): The process of strategic disinvestment of Shipping Corporation of India involves disinvesting government shareholding of SCI along with management control of the company to a strategic buyer. The non-core assets of the SCI have been hived off in accordance with demerger order dated 23.02.2023 issued by Ministry of Corporate Affairs (MoCA) for its demerger/transfer to the demerged company, Shipping Corporation of India Land and Assets Limited (SCILAL), which will continue as a Government company. These non-core assets would not be transferred to the Strategic Buyer of SCI.

Annexure-I

Book Value of Non-Core Assets for last 8 financial years of SCI

(INR in lakhs)

Sr.no	Financial Year	Land		Buildings		Flats		MTI Assets		Total Non-Core Assets	
		Gross Book Value	Net Book Value	Gross Book Value	Net Book Value	Gross Book Value	Net Book Value	Gross Book Value	Net Book Value	Gross Book Value	Net Book Value
1	FY 2015-16	2,37,630	2,37,630	1,107	1,083	140	135	54	43	2,38,931	2,38,891
2	FY 2016-17	2,37,630	2,37,630	1,107	1,055	140	130	321	273	2,39,198	2,39,088
3	FY 2017-18	2,37,630	2,37,630	1,107	1,027	140	125	522	391	2,39,399	2,39,173
4	FY 2018-19	2,37,630	2,37,630	1,107	999	140	120	530	396	2,39,407	2,39,145
5	FY 2019-20	2,37,630	2,37,630	1,141	1,004	140	115	560	421	2,39,471	2,39,170
6	FY 2020-21	2,37,630	2,37,630	1,279	1,111	140	110	560	390	2,39,609	2,39,241
7	FY 2021-22	-	-	-	-	-	-	-	-	-	-
8	FY 2022-23	-	-	-	-	-	-	-	-	-	-

- Note-
1. Non-core Assets as defined in the demerger scheme between SCI and SCILAL has been considered as non-core assets.
 2. There were no Non-Core assets in FY 2021-22 and FY 2022-23, since the fixed assets were transferred to SCILAL on 01.04.2021 as per scheme.
 3. Values rounded off to nearest lakhs.
 4. Values as per audited books of accounts.
 5. The freehold land has been measured at fair value in transaction year (FY 2016-17) w.e.f. 01 April 2015 & that fair value is used as the deemed cost. Other assets (including leasehold land, buildings, flats) are at their existing book value in the transition year, after accounting for appropriate depreciation.

Annexure-II

Details of Land of Shipping Corporation of India in various States

(Under demerger scheme to be demerged/transferred to SCILAL)

S. No	State	Details of Assets	Property Rights	Area of Property
1	Maharashtra	Land for corporate office (Shipping House) at Nariman Point, Mumbai	Leasehold Property. For a period of 99 years from 27.07.1963 received from Government of Maharashtra	2995.85 Sq meters
2	Maharashtra	Land with Building at Malad, Mumbai	Freehold Property. Purchased from Seth Babulal Ratanji Jangla Charitable Trust	1287.63 Sq meters
3	Maharashtra	Powai Mumbai for establishment of Training Institute	Freehold property. Received as grant from Govt of Maharashtra.	1,43,158 Sq meters and 35,713 Sq meters 22nd December 1978 and 27th August 1982
4	West Bengal	Strand Road, Kolkata	Freehold property Purchased from Shashi Properties & Industries Limited.	1104.15 Sq Meter (i.e., 16 Cottas, 8 Chittacks and 5 Square feet)
