



Sethusamudram Corporation Limited

(A Government of India Enterprises)

15th ANNUAL REPORT
2019 - 2020



Sethusamudram
CORPORATION LIMITED

SETHUSAMUDRAM CORPORATION LIMITED

(A Government of India Enterprise)

CIN: U75111TN2004GOI054824

15th ANNUAL REPORT

2019-20

SETHUSAMUDRAM CORPORATION LIMITED

(A Govt. of India Enterprise)

Regd. Office: Indian Maritime University, Uthandi, Chennai – 600 119.

CIN : U75111TN2004GOI054824

BOARD OF DIRECTORS

Shri. P. Raveendran IRTS,
Chairman cum Managing Director

Shri. T.K. Ramachandran, IAS,
V.O. Chidambaranar Port Trust – Nominee Director

Shri. Sunil Paliwal, IAS,
Kamarajar Port Limited - Nominee Director

Shri. K. Rama Mohana Rao, IAS,
Visakhapatnam Port Trust – Nominee Director

Smt. Shipra Sharma
Govt Nominee Women Director

Shri. Rinkesh Roy, IRTS,
Paradip Port Trust – Nominee Director

Shri. S. Rajesh Tripathi
Dredging Corporation of India Ltd – Nominee Director

Smt. Sangeetha Sharma
Shipping Corporation of India Ltd – Nominee Director

Smt. S. Shanthi
General Manager (F)

Shri. A. Venu Prasad
General Manager (P)

Shri. R. Seshadri
Consultant

AUDITORS

M/s. Pattabiramen & Co
Chartered Accountant, Chennai.

PRINCIPAL BANKERS

Indian Bank. Harbour Branch, Chennai – 600 001.

REGISTERED OFFICE

Indian Maritime University, Uthandi, Chennai – 600 119.

CORPORATE OFFICE

Anchor Gate Building, First Floor, Opp. Collectorate, Rajaji Salai, Chennai – 600 001.

PROJECT OFFICE

Taluk Office Building, 1st Floor, Rameswaram – 623 526.

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CHAIRMAN'S MESSAGE



Dear shareowners,

On behalf of the Board of Directors of SCL and on my own behalf, I am pleased to welcome you all to the 15th Annual General Meeting of your Company. The Audited Annual Accounts for the financial year 2019 -20, Directors' Report and Auditors' Report have already been circulated.

You may be aware that India has a peninsular coast of 7517 kms studded with 12 major ports and 185 intermediary and Minor ports has had global maritime trade since time immemorial. Also shipping trade between the east and west coasts of India has prevailed for a long time. As the coast of India does not have a continuous navigation channel connecting the east and west coasts, the ships have to circumnavigate the Sri Lankan coasts due to presence of shallow waters in the Palk Strait and in Adam's Bridge area. In order to reduce the steaming distances between the East and West Coast of India and other countries and to improve the navigation within territorial waters of India, a number of proposals were considered since 1860 to cut a ship canal called Sethusamudram Canal.

With a view to establish the channel, the Government of India formed Sethusamudram Corporation Limited (SCL) a Special Purpose Vehicle (SPV) on 2nd September 2004 and the same was incorporated as a Company on 6th December 2004.

CURRENT STATUS OF THE PROJECT

The prestigious Sethusamudram Ship Channel project is envisaged reduction in journey time for ships sailing between east and west coasts of India and other countries and also reduction in the cost of operations. At present, the ships have to circumnavigate the Sri Lankan coasts due to the presence of shallow waters in the Palk Strait area and Adams Bridge. The total length of the shipping channel is 167 kms. The dredging was the principal activity of the project accounting for about 2/3rd of the project cost. The dredging is required for a length of 89 Km in two stretches, viz. 35kms in Adam's Bridge area and 54 kms in Palk Bay / Palk Strait area involving a total quantity of 82.5 million cum.

The designed depth of the channel is 12m below Chart Datum for navigation of 10 m draft vessel.

PROGRESS OF DREDGING WORK AT PALK BAY/ PALK STRAIT

For execution of dredging, the nodal port – Tuticorin Port Trust floated tenders twice viz ICB I and ICB II. All the tenders were cancelled due to unaccepted conditions and exorbitant rates and the matter was referred to Govt. of India for a decision. Govt. of India entrusted the entire dredging works in the proposed channel (at Palk Strait and Adam's bridge area) to M/s Dredging Corporation of India, (a Government of India undertaking) on nomination basis after obtaining Cabinet approval as this was only viable option available in these circumstances and in the interest of starting the project at the earliest.

As per the pre-dredge and interim survey conducted during September 2009 in Palk Strait / Palk Bay area it is ascertained that out of the total estimated quantity of 33.80 M.cum, about 18.90 M.cum i.e., 55.92% was dredged. DCI has withdrawn all the dredgers on 27.07.2009.

PROGRESS OF DREDGING WORK AT ADAM'S BRIDGE:

The dredging works at Adam's Bridge was commenced on 11.12.2006. Out of the total estimated quantity of 48.05 M.cum, about 9.52 M.cum i.e. 19.81% was dredged. So far the value of Capital Dredging carried out is Rs.708.57 Crores which is considered as Work In Progress as per Accounting Practice and the current value of the same not carried out. There may be siltation in the dredged area and at present no action in that area could be taken since the project activities are stayed by the Supreme Court.

PROGRESS OF OTHER WORKS ASSOCIATED WITH THE PROJECT

Navigational Buoys

SCL purchased 65 navigational buoys from M/s.Pintsch Bamag, Germany during 2006, as there was no scope of commencement of project till Supreme Court disposes the case as well to avoid the deterioration of the buoys, SCL sold all the 65 Nos. of buoys to various ports.

Status of 8 Nos. FRP Mooring Launches & 6 Nos Pilot Launches:

In anticipation of the normal commencement of operation, SCL purchased 8 Nos. FRP Mooring Launches and 6 Nos. Pilot Launches. Since there is delay in commencement of operation, SCL sold all the 8 Nos. Mooring launches and 6 Nos. Pilot Launches to various ports on outright sale basis.

CIVIL WORKS:**Approach Jetty & Service Jetty:**

Tamilnadu Government has allotted 37 Hec. of land for development of back up area for the proposed jetty and other onshore facilities and the final decision on taking over the land by paying necessary cost will be taken after Hon'ble Supreme Court vacates the stay. Further necessary action will be taken after recommencement of project works.

FINANCIAL PERFORMANCE

Your Company has a cash surplus of Rs. 31.74 Crs and made short term deposits in various banks. The Company is still under construction stage and yet to commence its operation. However, during the year under review, Company registered a net profit after tax of Rs. 165.37 lakhs against Rs. 241.12 Lakhs reported during the previous year.

CORPORATE SOCIAL RESPONSIBILITY

Successful implementation of Coastal Community Development Programmes.

It has been your Company's conscious and continuous endeavour to contribute to the community development and services. Towards its commitment to the society, your Company has taken up various CSR activities upto 2015 - 2016. Due to prolonged court cases, all the project activities are temporarily suspended including CCDP. As and when the project re-commences, CSR activities will also be taken up. The Company has incurred Rs. 3.74 crores for the CSR/CCDP activities.

INDUSTRIAL RELATIONS

During the year under review, cordial and harmonious Industrial relations were maintained in the company and no man day was lost on account of industrial unrest.

ACKNOWLEDGEMENT

I gratefully acknowledge the guidance and support received from the Ministry of Shipping, Government of India. I would also like to thank colleagues on Board who spared considerable time and participated actively in the operations of the Board and their in-depth knowledge and guidance on various issues greatly contributed in taking appropriate decisions. My sincere thanks to the Bankers and Legal Counsels for their co-operation.

CONCLUSION

Before concluding I wish to place on record our deep sense of gratitude for the sincere efforts put in at all levels which enabled the Company to record the progress during the year. To accomplish the enormous task ahead, our journey has just begun with pre-set milestones. We rededicate ourselves to build on this momentum and work with renewed vigor to address the challenges faced by your company. With this, I now recommend for your consideration and adoption of the Balance Sheet and Statement of Profit and Loss account, Auditors' Report and Directors' Report.

**Chairman cum Managing Director
Sethusamudram Corporation Limited**

Place: Chennai

Date:

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the shareholders of Sethusamudram Corporation Limited will be held on 28.12.2020 (Monday) of December 2020 at 11:30 AM (IST) through Video conference (VC) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance sheet as at 31st March 2020, the statement of Profit & Loss Account of the Company for the year ended 31st March 2020 and the reports of the Board of Directors, the Auditors' Report and Comments of Comptroller and Audit General of India under section 143 (6) of the Companies Act, 2013.
2. To appoint. M/s. Narayana Aiyar & Co, as Auditor of the Company to hold such office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting at the remuneration of Rs. 50,000/- plus Goods and service tax at actual and reimbursement of Rs.10,000/- towards out of pocket expenses subject to other terms and conditions laid down by the Office of the Comptroller and Auditor General of India in their letter dated. 20.08.2020.

SPECIAL BUSINESS

3. **Appointment of Shri. T.K. Ramachandran, IAS (DIN no. 03104487) Chairman, V.O. Chidambaranar Port Trust as Nominee Director.**

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

"RESOLVED THAT Shri. T.K. Ramachandran, IAS Chairman, V.O. Chidambaranar Port Trust as Nominee Director be and is hereby appointed as nominee Director of the Company.

"RESOLVED FURTHER that Shri. P. Raveendran, CMD-SCL be and is hereby authorized to affix digital signature in Form DIR-12, file the same with Registrar of Companies and comply with all other formalities which may be required in this regard."

By Order of the Board

**(Shri. P. Raveendran, IRTS)
Chairman cum Managing Director**

Place: Chennai

Date:

NOTES

1. In view of the continuing Covid – 19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM"), through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Those wishing to participate in the meeting through VC or OAVM may do so in person. Proxy cannot participate in the meeting through VC or OAVM. Hence, Proxy Form, Attendance Slip, Route Map are not annexed to the Notice. Members participating through VC or OAVM may cast their votes on the resolutions during the meeting by show of hands or only by sending emails through their email addresses registered with the Company in case of a Poll. The said emails shall only be sent to the designated email address circulated by the Company.
2. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/such other documents authorizing their representative to attend the AGM through VC/OAVM on its behalf and to vote.

3. The members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
4. All documents referred to in the Notice are open for inspection at the Corporate Office of the Company on all working days, except Saturdays, Sundays and holidays up to the date of the Annual General Meeting and will be made available to the members in electronic mode if requested.
5. Members are requested to notify immediately any change of address, email address.

Instructions for attending the AGM through VC

1. Web link and log-in credentials for attending AGM through VC/OAVM will be provided in the e-mail forwarding the Notice and Annual Report.
2. Members can join Video conference either through Mobile/Laptop/Desktop

Explanatory Statements pursuant to Section 102 of the Companies Act, 2013.

Item No. 3

The Ministry of Shipping, vide their letter No.PD/26014/1/2004-Sethu, dated 17.9.2004 conveying their approval for formation of Sethusamudram Corporation Limited indicated interalia that SCL in the beginning will be headed by Chairman of Tuticorin Port Trust as its Chairman cum Managing director with the Chairman from participating Major Ports and CMDs of participating Public Sector Undertakings as Directors of the Company on ex-officio basis.

According to Article 122 (C) of the Articles of Association of the Company, if the promoter Port / Company nominee retires, resigns, removed or otherwise vacates the office at any time, then subject to Article 121, the concerned Promoter Port / Company shall be entitled to nominate one replacement, Director upon such retirement, resignation, removal or otherwise of its nominee Director.

Accordingly, V.O. Chidambaranar Port Trust vide their letter no. FIN-OFFR2-SCL-CORRE-VI-15-21424, dt. 08th November 2020 informed that Shri. T.K. Ramachandran, IAS (DIN no. 03104487) Chairman, V.O. Chidambaranar Port Trust has been nominated as replacement Nominee director in the Board of SCL and the same was taken on record at the 61st meeting of the Board of Directors held on 28.11.2020.

His brief resume is as under:

Particulars	Details
Date of Birth	07.09.1965
Educational & Professional Qualification	B.Tech. (Hons) from IIT, Kharagpur M.Tech in Computer Science from IIT, Delhi Masters in Public policy from Princeton University as "World Bank-Robert McNamara
Business/Occupation	Employed
Experience	Shri. T.K. Ramachandran I.A.S was earlier the principal Secretary at Tamil Nadu Hindu Religious and Charitable Endowments Department. He has served in various capacities in Government of Tamil Nadu including Collector & District Magistrate in Ramanathapuram and Villupuram, Secretary to Government of Tamil Nadu (Highways and Minor Ports), Principal Secretary to Government of Tamil Nadu (Information Technology), Managing Director, Tamil Nadu Newsprint and Papers Ltd., Director General of Training, Government of Tamil Nadu, Managing Director, AAVIN, Deputy Commissioner of Corporation of Chennai, Project Director of TN Road Sector Project, Project Director of Sarva Shiksha abhiyan (SSA)
Securities held in Sethusamudram Corporation Ltd	Nil

Relationship with other Directors of Sethusamudram Corporation Ltd	Not Applicable	
Directorship/Membership in other Companies	Name of the company	Nature of interest/Concern
	Sethusamudram Corporation Ltd	Nominee Director
	IIT Madras Research Park	Nominee Director
	Kanyakumari Port Limited	Director
Remuneration last drawn	Not Applicable	
Number of Meetings of the Board attended during the year	Details provided in the Corporate Governance Report.	

In terms of Section 161 of the Companies Act, 2013, Shri. T.K. Ramachandran, IAS, (DIN no. 03104487) Nominee Director of SCL representing V.O. Chidambaranar Port Trust and holds office up to the date of this Annual General Meeting. Your Directors feel that his association with the Board will be in the best interest of the company. It is considered desirable that the company should continue to avail his service as a director and recommend this resolution for approval of the shareholders.

None of the directors other than Shri. T.K. Ramachandran, IAS, (DIN no. 03104487) Nominee Director of SCL representing V.O. Chidambaranar Port Trust to the extent of his appointment as Director is concerned or interested in the resolution

By Order of the Board

**(Shri P. Raveendran, IRTS)
Chairman cum Managing Director**

Place: Chennai

Date:

SETHUSAMUDRAM CORPORATION LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

CIN: U75111TN2004GOI054824

Regd. Office: Indian Maritime University, Uthandi, Chennai – 600 119.

DIRECTORS' REPORT

To the Shareholders,

Your Directors have great pleasure of presenting the 15th Annual Report 2019-2020 together with Audited statement of Accounts of the Company for the financial year ended 31st March 2020.

1.0 FINANCIAL HIGHLIGHTS

(In Lakhs)		
Particulars	2019-20	2018-19
Other Income	326.99	455.57
Expenses	(66.77)	(61.25)
Prior Period adjustments	(0.04)	1.39
Profit/Loss before tax and Exceptional Items	260.18	395.71
Exceptional Item	-----	(31.26)
Tax expenses	(94.81)	(123.33)
Profit / Loss after tax	165.37	241.12

2.0 FINANCIAL PERFORMANCE

The Company has not commenced its business operation. In the meantime, as per the directions of Ministry of Shipping, the Company has passed Board Resolution No.59/03 dt.28th June 2019 for sending proposal for winding up of the company to the MoS after obtaining legal opinion. As a result the financial statements are prepared on going concern basis.

During the year under review, Company earned a profit after tax of Rs. 165.37 Lakhs as against the profit of Rs. 241.12 Lakhs reported during the previous year as tabulated above.

3.0 DIVIDEND

As commercial operations have not started, your Directors do not recommend any Dividend for the period under report.

4.0 FIXED DEPOSITS

Your Company has not accepted any deposits including the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, your Directors state that the Company is yet to commence its operations hence the provisions are not applicable.

The Company has no activities relating to technology absorption and there was no earning or outgo in foreign exchange during the year.

DIRECTOR'S EXPLANATION U/S 134(3) (f) OF COMPANIES ACT, 2013 ON THE QUALIFICATION OR DISCLAIMER MADE BY THE STATUTORY AUDITOR IN THE AUDIT REPORT:

Sl.No	Qualification in auditor's report	Management's reply
1)	As discussed in Notes No.32 to the financial statements, the Government of India had directed the Company to submit the proposal for winding up. The matter was placed in the 59 th Board of Directors meeting of the Company and the Board accorded approval for sending the proposal of closure of the Company, after obtaining legal opinion. Therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not adequately disclose this matter.	<p>The company has disclosed the fact in Note 32 that as per directions of MoS vide letter dated 18.06.2019, SCL in its 59th Board meeting dated 28.06.2019 accorded approval for sending the proposal of closure of the company to MoS after obtaining legal opinion.</p> <p>However only after the approval of MoS based on the proposal for closure which is pending as on this day, the company will initiate the procedure for winding up the company.</p>
2)	Confirmation for Note no.5, 6 and 7 of notes to standalone Ind AS financial statements regarding Short Term	The company is in the process of obtaining confirmation of balances for trade receivables, deposits, sundry adjustments,

	Deposit with Banks, Sundry adjustments, Sundry receivables, Capital advances, Trade receivables and Deposits, to be obtained and reconciled.	sundry receivables and capital advances from the parties concerned. The company does not foresee any material difference in the balances outstanding and differences if any will be reconciled and rectified in next accounting year.
3)	According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.	The company has not commenced its business operation and involved in very minimal transactions mainly of making investments and earnings of interest on Investments. The company has established its internal financial controls through set of policies framed and procedures followed by the Company for approval and recording of those minimal financial transactions and thereby for financial reporting. Every transaction are approved by the GM (F). Every first time transaction are approved by CMD. The approval of the Board will be sought and obtained based on the requirement of internal financial control policies.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis (MDA) is not applicable, since SCL has not yet started its commercial operation.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report (BRR) is not applicable, since SCL has not yet started its commercial operation.

PARTICULARS OF EMPLOYEES UNDER SECTION 134 OF THE COMPANIES ACT, 2013

During the year under review, no employee of the company was in receipt of remuneration in excess of the limit prescribed under the provision of Section 134 of the Companies Act, 2013. No employee of the company is a relative of any Director or Manager of the company.

Material changes and commitments affecting financial position between the end of the financial year and date of report.

In respect of the dredging works already carried out by the Company at SSCP, there was a long pending dispute on the rate at which to be settled was amicably arrived by the ASFA committee formed by MOS. It has been decided by the Committee that Rs.136.72 cr is due and payable to DCI. Accordingly, during financial year/ (2019-20) SCL had settled Rs. 39.00 crs from the fund available with SCL, and your company has sought financial assistant from Government of India for balance dues payable to DCI.

BORROWINGS:

The Company has not availed of any term Loans during the FY 2019 - 20.

PARTICULARS OF LOANS, GUARANTEES,

The Company has not given any Loans and Guarantees under section 186 of Companies Act, 2013

INVESTMENTS

During the year, no specific investment has been made by your Company.

RIGHT TO INFORMATION ACT, 2005

Your Company has implemented the Right to Information Act, 2005 to provide information to the citizens of India and also to maintain accountability and transparency in the working of the Company. During the year under report all applications received under RTI Act were duly processed and replied.

For and on behalf of the Board of Directors of
Sethusamudram Corporation Limited

Chairman cum Managing Director

Place: Chennai

Date:

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The Department of Public Enterprises (DPE) had issued Guidelines on Corporate Governance for listed and unlisted Central Public-Sector Enterprises (CPSEs). The Board of Directors of your Company strongly supports the principles of Corporate Governance which involves Board, employees, shareholders and other stakeholders. The management and employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability.

2. BOARD OF DIRECTORS

The Company is managed by the Chairman of Chennai Port Trust on additional charge with valuable guidance of Board of Directors from the participating Ports, CPSUs like SCI and DCI.

2.1 Composition and category of the Board of Directors, as on 31.03.2020 is as below:

Chairman cum Managing Director

Shri P.Raveendran, IRTS, Chairman cum Managing Director, SCL

Govt Nominee Directors

1. Smt. Shipra Sharma, Nominee Director of Government of India

Participating Ports and CPSUs Nominee Directors

1. Shri. T.K. Ramachandran, IAS, Nominee Director of V.O. Chidambaranar Port Trust.
2. Shri. Sunil Paliwal, IAS, Nominee Director of Kamarajar Port Limited
3. Shri. Rinkesh Roy, IRTS, Nominee Director of Paradip Port Trust
4. Shri. Cyril C George, Nominee Director of Chennai Port Trust
5. Shri P.L.Haranadh, IRTS, Nominee Director of Visakhapatnam Port Trust.
6. Shri. Rajesh Tripathi, Nominee Director of Dredging Corporation of India Ltd.
7. Smt. Sangeeta Anil Sharma, Nominee Director of Shipping Corporation of India Ltd.

The Board of Directors of the company consists of Chairman/Dy.Chairman/ Director(s) from the participating Major Ports and Chairman-cum-Managing Directors / Director (s) of participating CPSUs on ex-officio basis and nominees from the Ministry of Shipping, representing Government of India.

As per Article 122(b) of our company, the Directors representing VoCPT and SCI shall be non-rotational Directors.

The following changes took place in the composition of Board of Directors since last Directors' Report:

Shri. Sunil Paliwal, Chairman cum Managing Director of Kamarajar Port Limited (DIN No: 01310101) has been appointed as Nominee Director of your Company

Shri. T.K. Ramachandran, Chairman, V.O. Chidambaranar Port Trust (DIN NO: 03104487) has been appointed as Nominee Director in the place of Shri. N. Vaiyapuri, Dy. Chairman, V.O.Chidambaranar Port Trust.

Your Directors would like to place on record their appreciation for their valuable services and guidance received from Shri. N. Vaiyapuri during their tenure on the Board of your Company.

During the year under review, your Company did not have required number of Independent Directors. Your Company being a public-sector undertaking, the appointment of Government Nominee Directors, CMD is to be made by the Government of India and DPE approval of Board Composition of SCL is mandatory to nominate Independent Director from DPE independent Directory listing by MOS. Your Company has taken up the matter with the Ministry of Shipping, GOI.

1.2 Attendance of each Director at the Meetings held during the year 2019-20 (01.04.2019 to 31.03.2020) on 28.08.2019, 23.10.2019, 28.11.2019, 21.02.2020 and at the last AGM on 20.12.2019.

Name of Director	Designation and Category	Number of Board Meeting in the year		Attendance of Last AGM
		Held	Attended	
Shri. P.Raveendran (DIN No: 07640613)	Chairman cum Managing Director	4	4	Yes
Shri. Sunil Paliwal (DIN No: 01310101)	Director Non – Executive	2	2	Yes
Shri. T.K. Ramachandran (DIN No: 03104487)	Director Non – Executive	2	1	Yes
Shri. N. Vaiyapuri (DIN No: 07206468)	Director Non – Executive	2	1	No
Shri P.L Haranadh (DIN No: 07295378)	Director Non – Executive	4	----	Yes
Shri Rinkesh Roy (DIN No: 07404080)	Director Non – Executive	4	----	Yes
Shri. Cyril C George (DIN No: 07499367)	Director Non – Executive	4	3	Yes
Smt. Shipra Sharma (DIN No: 07781825)	Director Non – Executive	4	1	Yes
Shri Rajesh Tripathi (DIN No: 03379442)	Director Non – Executive	4	2	Yes
Smt Sangeeta Anil Sharma (DIN No: 07969443)	Director Non – Executive	4	3	Yes

3. AUDIT COMMITTEE

Pursuant to section 177 of the Companies Act 2013, your Company has constituted an Audit Committee consisting of Combination of Non-Executive Directors as per composition detailed below:

Name of Directors	Position
Shri. Sunil Paliwal, IAS (DIN No: 01310101)	Chairman, Non-Executive Director
Shri. P. Raveendran, IRTS (DIN No: 07640613)	Member, Non-Executive Director
Shri. Rama Mohana Rao, IAS (DIN No: 07620951)	Member, Non-Executive Director

The Annual Accounts were placed before the Audit Committee and the recommendations/ suggestions made by the Committee have been considered by the Board. The Committee also reviewed the Internal Audit Report submitted by the external Auditors and their recommendations were duly considered in the preparation of accounts.

4. Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act 2013, your Company has constituted an Nomination and Remuneration Committee consisting of Combination of Non-Executive Directors as per composition detailed below:

Name of Directors	Position
Shri. T.K. Ramachandran, IAS (DIN No: 03104487)	Chairman, Non-Executive Director
Shri. Rama Mohana Rao, IAS (DIN No: 07620951)	Member, Non-Executive Director
Smt. Shipra Sharma (DIN No: 07781825)	Member, Non-Executive Director

Your Company Articles of Association governs Nomination of Directors from Promoter Port /PSU and MoS Nominates CMD and Government Nominees.

4.1 Remuneration received by Functional Directors

As SCL does not have Whole time Directors, no remuneration was paid by the Company during the year 2019-20. No remuneration is paid to non-executive Directors for attending the Board and Committee meetings during the year.

5. Corporate Social Responsibility Committee.

Pursuant to Section 135 of the Companies Act, 2013, your Company has constituted a CSR Committee consisting of Combination of Non-Executive Directors as per composition detailed below:

Name of Directors	Position
Shri. P.Raveendran, IRTS (DIN No: 07640613)	Chairman cum Managing Director
Shri. Sunil Paliwal, IAS (DIN No: 01310101)	Member, Non-Executive Director
Shri Rajesh Tripathi (DIN No: 03379442)	Member, Non-Executive Director

Our Company follows DPR and CCDP envisaged policy for CSR activities and spending.

6. Annual General Meeting

The venue, date and time of the AGMs held during the preceding three years are as under:

Year	Venue	Date	Time
2018-19	Board Room of Chennai Port Trust, Chennai - 600001	20.12.2019	03:00 PM
2017-18	Board Room of Chennai Port Trust, Chennai - 600001	04.12.2018	01:30 PM
2016- 17	Board Room of Chennai Port Trust, Chennai - 600001	13.12.2017	1.00 PM

AUDITORS

In terms of Section 139 of the Companies Act, 2013, Comptroller and Auditor General of India has appointed M/s. P PATTABIRAMEN & Co, Chartered Accountants, Chennai as Statutory Auditors of the company for the year 2019-20.

DISCLOSURES

There were no significant related party transactions or transactions of material nature with the promoters, Directors, management or relatives which may have potential conflict with the interests of the Company.

There were no instances of non-compliance by the Company on the matters related to the capital market during the last three years and there were no penalties, strictures imposed by any statutory authority.

INDUSTRIAL RELATIONS

The relations between Management and Employees are extremely cordial.

REVIEW OF COMPLIANCE OF APPLICABLE LAWS

The Board has periodically reviewed the compliance reports of all applicable laws to the company and has ensured the compliance of all the applicable laws

ACKNOWLEDGEMENT

Your Directors acknowledge gratefully the support and guidance received from the officials of Ministry of Shipping, Government of India, participating Ports, Shipping Corporation of India, Dredging Corporation of India Ltd, Ministry of Environment and Forests, Indian Port Association etc., Your Directors also take this opportunity to thank the support and co-operation of the Bankers, and all employees of the company.

For and on behalf of the Board

Chairman cum Managing Director

Place: Chennai

Date:

SETHUSAMUDRAM CORPORATION LIMITED

Additional particulars furnished pursuant to the Rule 8 of the Companies (Accounts) Rules, 2014

(1) EXTRACT OF ANNUAL RETURN

Enclosed as Annexure 1

(2) BOARD MEETING

During the year 2019-20, 4 Board meetings were held on 28.06.2019, 23.10.2019, 28.11.2019 and 21.02.2020.

(3) DIRECTOR'S RESPONSIBILITY STATEMENT

(Section 134(3) of the Companies Act, 2013)

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act 2013('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the act. There are no material departures from prescribed accounting standards in the adoption of the standards.

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that year;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and
(e) the directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

**(4) STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS
U/S 149(6)**

Not Applicable

**(5) COMPANY POLICY ON DIRECTOR'S APPOINTMENT AND
REMUNERATION U/S 178(1) AND (3)**

Please refer paragraph 2 of Corporate Governance.

(6) LOAN, GUARANTEES OR INVESTMENT U/S 186

NIL

(7) CONTRACTS OR ARRANGEMENT WITH RELATED PARTY U/S 188(1)

NIL

(8) STATE OF COMPANY AFFAIRS

Being a Government organization, the Company is managed by well regulated systems and procedures.

(9) TRANSFER TO RESERVE

NIL

**(10) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE
FINANCIAL POSITION**

NIL

(11) CORPORATE SOCIAL RESPONSIBILITY

It has been your Company's conscious and continuous endeavor to contribute to the community development and services. Towards its commitment to the society, your Company has taken up various CSR activities viz.

1. Coastal Community Development Programmes

As per the stipulation of Ministry of Environment and Forest, while according environmental clearance for the project, 2% of the project cost was earmarked for 'Coastal Community Development Programme' with an objective to improve the living standards of the people in the coastal districts adjoining to the project site. The benefit that is being extended to the Coastal Community particularly fishermen includes (i) creating infrastructure facilities like Fishing Harbours, multipurpose harbours (ii) providing livelihood training programmes in various trades/vocations to promote alternate means of living, (iii) development of micro-infrastructure facilities like construction of School Buildings, Community Halls, etc., and (iv) providing educational assistance to the students below poverty line to pursue technical/professional courses.

Your company has taken up various CSR activities upto 2015-16. Due to prolonged court cases, all the project activities are temporarily suspended including CCDP. As and when the project re-commences, CSR activities will also be taken up. Your company has already spent Rs. 3,74,556.00 on CSR/CCDP activities as per the Companies Act 2013.

(12) DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board of Director's in their meeting takes stock of the risks associated with project and finance and take appropriate decisions.

For and on behalf of the Board

Chairman cum Managing Director

Place: Chennai

Date:

Form No. MGT-9

Extract of annual return as on the financial period ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U75111TN2004GOI054824
(ii)	Registration Date	06/12/2004
(iii)	Name of the Company	SETHUSAMUDRAM CORPORATION LIMITED
(iv)	Category / Sub-Category of the Company	Company limited by shares
(v)	Address of the Registered Office and contact details	National Institute Of Port management, ECR Uthandi, CHENNAI 600119 Tele : 25270651/25270650
(vi)	Whether listed company - Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of waterways, harbours and river works, dredging of waterways	42902	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Nil	--	--	--	--

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Ch
	D	Physical	Total	% to total shares	D	Physical	Total	% to total shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF									
(b) Central Govt.		635000000	635000000	85.23		635000000	635000000	85.23	
(c) State Govt		110000000	110000000	14.77		110000000	110000000	14.77	
(s)									
(d) Bodies Corp.									
(e) Banks / FI									
(f) Any other									
Sub-total (A)(1):-									
(2) Foreign									
(a) NRIs - Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other		745000000	745000000	100		745000000	745000000	100	
Sub-total (A)(2):-									
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)									

<p>B. Public Shareholding</p> <p>1. Institutions</p> <p>(a) Mutual Funds</p> <p>(b) Banks / FI</p> <p>(c) Central Govt.</p> <p>(d) State Govt(s)</p> <p>(e) Venture Capital Funds</p> <p>(f) Insurance companies</p> <p>(g) FIs</p> <p>(h) Foreign Venture Capital Funds</p> <p>(i) Others (specify)</p> <p>Sub-total (B)(1):-</p> <p>2. Non-Institutions</p> <p>(a) Bodies Corp.</p> <p>(i) Indian</p> <p>(ii) Overseas</p> <p>(b) Individuals</p> <p>(i) Individual shareholders holding nominal share capital up to Rs.1 lakh</p> <p>(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh</p> <p>(c) Others (specify)</p> <p>Sub-total (B)(2):-</p> <p>Total Public Shareholding (B) = (B)(1) + (B)(2)</p>												
--	--	--	--	--	--	--	--	--	--	--	--	--

C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)		745000000	745000000	100		745000000	745000000	100

(ii) Shareholding of Promoters:

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	
1	Government Of India	495000000	66.43	--	495000000	66.43	--	--
2	V.O.Chidambaranar Port Trust	50000000	6.71	--	50000000	6.71	--	--
3	Shipping Corporation Of India	50000000	6.71	--	50000000	6.71	--	--
4	Dredging Corporation of India	30000000	4.03	--	30000000	4.03	--	--
5	Chennai Port Trust	30000000	4.03	--	30000000	4.03	--	--
6	Kamarajar Port Limited	30000000	4.03	--	30000000	4.03	--	--
7	Vishakhapatnam Port Trust	30000000	4.03	--	30000000	4.03	--	--
8	Paradip Port Trust	30000000	4.03	--	30000000	4.03	--	--

(iii) Change in Promoters' Shareholding (please specify, if there is no change):
NIL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **NIL**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the
	For each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	At the end of the year (or on the date of separation, if separated during the				

(v) Shareholding of Directors and Key Managerial Personnel: NIL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of
	For Each of the Directors and KMP				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)				
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)				

NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
NIL (*)**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		---	---	---	---	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

(*) Additional Charge paid to Director is not reflecting on the above VI (A), since it is not a salary.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify					
	Total (1)					
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act,	--			
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				

VII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board of directors
of Sethusamudram Corporation Limited**

Chairman cum Managing Director

Place: Chennai

Date:

Form No. AOC- 2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Name(s) of the related party and nature of relationship Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions Date(s) of approval by the Board	Amount paid as advances, if any Date on which the special resolution was passed in general meeting as required under first proviso to section	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	Nil	Nil	Nil	Nil	Nil	Nil

Your Company is Government Company Chapter XII, first and second proviso to section 188(1) of Companies Act Shall not apply to a government company in respect of contracts or arrangements entered into by it with any other Government company. There were no significant related party transactions or transactions of material nature with the promoters, Directors, management or relatives which may have potential conflict with the interests of the Company.

**For and on behalf of the Board of Directors
of Sethusamudram Corporation Limited**

Chairman cum Managing Director

Place: Chennai

Date:

JOHN O & ASSOCIATES

Company Secretarial Auditors

Dr. J. John Ohilvi, M.Com., L.L.B., FCS., Ph.D.
Company Secretary

3/95A, East of Medical College,
Asaripallam - 629201,
Nagercoil, Tamil Nadu .
Cell: 098421-34891, 095788-08888
Ph : 04652 - 234289
E-mail : johnohilvi@yahoo.co.in
Website: www.johnohilvi.com

Date.....

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,

**THE MEMBERS,
SETHUSAMUDRAM CORPORATION LIMITED
NATIONAL INSTITUTE OF PORTMANAGEMENT
EAST COAST ROAD UTHANDI,
CHENNAI - 600119**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SETHUSAMUDRAM CORPORATION LIMITED (CIN: U75111TN2004GOI054824)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



I have examined the books, papers, minute books, forms and returns filed and other records maintained by SETHUSAMUDRAM CORPORATION LIMITED for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;

The Company has completed with the procedure laid under the Companies Act 1956/2013, forms, returns in this connection have been filed.

However, the company is yet to appoint Independent Directors, into the Board.

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.

- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the company is unlisted Public Government Company. :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

- (vi) As informed to me the following other laws specifically applicable to the Company as under.

1. Payment of Wages Act, 1936
2. The Minimum Wages Act, 1948



3. The Equal Remuneration Act, 1976
4. The Contract Labour (Regulation and Abolition) Act, 1970
5. The Child Labour Prohibition and Regulation Act, 1986
6. The Environment Protection Act 1986.
7. The Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The company being unlisted Public Company the Listing Agreements as described by the Stock Exchanges is not applicable.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observation.

The company is yet to commence its commercial operations, and the company is the stage of taking up projects which requires sanction of various government departments.

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Nominee Directors except the appointment of Independent Directors, and Company Secretary. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decision is carried through while the dissenting members views are captured and recorded as part of the minutes.




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

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulation, guidelines, etc, having a major bearing on the companies affairs.

Place: Chennai

Date: 07/12/2020



J. JOHN OHILVI
FCS: 4513 / CP: 4010

UDIN: F004513B001424965



ANNEXURE - I

To

THE MEMBERS
SETHUSAMUDRAM CORPORATION LIMITED,
NATIONAL INSTITUTE OF PORTMANAGEMENT
EAST COAST ROAD UTHANDI,
CHENNAI - 600119

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai

Date: 07/12/2020



A handwritten signature in dark ink, appearing to read "J. John Ohilvi".

J. JOHN OHILVI
FCS: 4513 / CP: 4010

UDIN: F004513B001424965



भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय महाभारतदेशक वाणिज्यिक लेखा परीक्षा, चेन्नै
Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai

No. DGCA/CHENNAI/CA-II/SCL/ 2-194/2020-21/ 236

Dated: 17.12.2020

To

The Chairman cum Managing Director,
Sethusamudram Corporation Limited,
Anchor Gate Building,
1st floor, Rajaji Salai
Chennai - 600 001

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)
(b) of the Companies Act, 2013 on the Financial Statements of M/s
Sethusamudram Corporation Limited, Chennai for the year ended 31 March 2020.

I forward herewith comments of the Comptroller and Auditor General of India under
section 143(6) (b) of the Companies Act, 2013 on the financial statements of M/s
Sethusamudram Corporation Limited, for the year ended 31 March 2020.

Five copies of Printed Annual Report of your company may be arranged to be forwarded
to this office. The date of holding of Annual General Meeting may also be intimated.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

(R. AMBALAVANAN)

DIRECTOR GENERAL OF COMMERCIAL AUDIT, CHENNAI

Encl: Audit Certificate

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF M/S SETHUSAMUDRAM CORPORATION LIMITED FOR THE
YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of M/s Sethusamudram Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 December 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of M/s Sethusamudram Corporation Limited for the year ended 31 March 2020 under section 143 (6) (a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India



(R. AMBALAVANAN)

DIRECTOR GENERAL OF COMMERCIAL AUDIT, CHENNAI

Place: Chennai

Date: 17.12.2020

INDEPENDENT AUDITOR'S REPORT

To
The MEMBERS,
M/s. SETHUSAMUDRAM CORPORATION LIMITED

**Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements
Qualified Opinion**

We have audited the accompanying Standalone Ind AS financial statements of M/s. SETHUSAMUDRAM CORPORATION LIMITED ("the Company") which comprise the Balance Sheet as at March 31st, 2020, the Statement of Profit and Loss including Other Comprehensive income, Statement of Changes in Equity and the statement of Cash Flows for the year then ended and notes to the standalone Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information for the year then ended.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion in our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended), of the state of affairs of the Company as at 31st March, 2020, its Profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As discussed in Notes No. 32 to the financial statements, the Government of India had directed the Company to submit the proposal for winding up. The matter was placed in the 59th Board of Directors meeting of the Company and the Board accorded approval for sending the proposal of closure of the Company, after obtaining legal opinion. Therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not adequately disclose this matter.

The evidences obtained and circumstances indicate the existence of material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

The impairment value of the assets and liabilities are to be recognized in the standalone Ind AS financial statements and we are unable to quantify the amount of impairment value in the absence of adequate information and non availability of technical reports.

Confirmation for Note no. 5, 6, 7 and 13 of notes to standalone Ind AS financial statements regarding Short Term Deposit with Banks, Sundry adjustments, Sundry receivables, Capital advances, Trade receivables, Deposits and Provision for Capital Dredging to be obtained and reconciled.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with

Contd...2



these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the stand alone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have concluded that such material misstatement of the other information exist in respect of matters described in the basis for qualified opinion section above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	Dues to Dredging Corporation of India: Many committees' were formed to resolve the balance dues payable by the Company to Dredging Corporation of India. Finally MOS constituted a committee with AS & FA/MOS, JS (P) & DA (P). This committee had a meeting on 25.02.2019 and finalised	Based on the communication available with the Company and discussions with the management, we understand that some payments were made during the year and the sanction of grant is yet to be received.

	the amount to be given to DCI by the Company as Rs. 136.72 Crores. The Company had made some payments with the available funds & Company has requested a grant of Rs.115.72 Crores from Govt.	
2	<p>Provisions and Contingent Liabilities</p> <p>The Company is subject to a number of legal and regulatory cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to contingent liabilities are presented in Note No. 25 to the Standalone Ind AS Financial Statements.</p> <p>The assessment of the risks associated with the litigations is based on complex assumptions. This requires use of judgment to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed. Accordingly, this matter is considered to be a key audit matter.</p>	<p>In order to get a sufficient understanding of litigations and contingent liabilities, we have discussed the process of identification implemented by the Management for such provisions through various discussions with Company's personnel and management. We read, where applicable, external legal or regulatory advice sought by the Company.</p> <p>We discussed with the Company certain material cases noted in the report to determine the Company's assessment of the likelihood, magnitude and accounting of any liability that may arise.</p> <p>Status of the legal cases filed and pending for disposal as on 31 March 2020 was analysed. In light of the above, we reviewed the amount of provisions recorded and exercised our professional judgment to assess the adequacy of disclosures in the Standalone Ind AS financial statements.</p>

Responsibilities of Management and those charged with Governance for the IndAS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive income, Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the provisions of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The balance sheet, the statement of profit and loss, statement of changes in equity and statement of cash flows dealt with by this report are in agreement with the books of account;
- (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) As per notification no.GSR 463(E) dated 05.06.2015, issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to Government Company;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure B; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; Refer note No.25 to the standalone IndAs financial statements.
 - b. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 3. As required by Section 143(5) of the Companies Act, 2013, we give in Annexure C, statement on the matters specified in the directions issued by the Comptroller and Auditor General of India in respect of the Company.
- 4. As per notification no.GSR 463(E) dated 05.06.2015, issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to Government Company.

For P.Pattabiramen & Co.,
Chartered Accountants,
Firm Regn. No.002609S

P.Pattabiramen
Partner/M.N.014430.
UDIN:

Place: Chennai - 600040
Date:

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- (i) (a) In our opinion, the Company is adequately maintaining proper records showing full particulars, including quantitative details and location of fixed assets.
 - (b) According to the information and explanations given to us, all the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification. The last physical verification was conducted by the company as on 31st March 2020.
 - (c) According to information and explanations given to us, the company has no immovable properties and verification of original Title deeds does not arise.
- (ii) According to the information and explanations given to us, there were no inventories hence this clause (ii) is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clause (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits and accordingly this clause (v) is not applicable to the Company.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the companies Act, 2013.
- (vii) (a) According to the informations and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable, with the appropriate authorities during the year and no undisputed amounts payable were outstanding as at March 31 2020 for a period of more than six months from the day on which they became payable.

Cont'd...2

- (b) According to the informations and explanations given to us, there are no disputed dues in respect of Sales Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable, except income tax as given below:

Sl. No	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Amount (Rs)
1.	Tax Deducted at Source – Income Tax	Short Deduction, Interest, Late filing fee for the financial years 2008-09 onwards	Income Tax 2008-09 2012-13 2016-17 2017-18 2018-19	507530/- 980/- 1470/- 2050/- 400/- <hr/> 512430/-

- (viii) According to the information and explanations given to us, the company has not obtained any loans (including debt instruments) during the year either from Financial Institutions or Banks or Government and hence this clause is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and has not availed any term loan. Hence this clause (ix) is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the period under review.
- (xi) The Company has paid/provided managerial remuneration to Managing Director and other directors during the year. As per Notification No: G.S.R. 463(E) Dated 05.06.2015, the provisions of section 197 of the Companies Act 2013 does not apply to a Government Company.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, this clause of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, transactions entered into with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable. The details of all transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

Cont'd...3

- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For P. Pattabiramen & Co.,
Chartered Accountants,
Firm Regn.No.002609S

P. Pattabiramen
Partner/M. No. 014430
UDIN:

Place: Chennai.
Dated:

Independent Auditor's Report on IFCOFR

Annexure "B" to the Independent Auditor's Report of M/S. SETHUSAMUDRAM CORPORATION LIMITED as of and for the year ended March 31, 2020 (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Sethusamudram Corporation Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Cont'd...2

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, sufficient appropriate audit evidence were not available to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

For P.Pattabiramen and Co
Chartered Accountants
Firm Regn.No.002609S

P.Pattabiramen
Partner/M. No. 014430
UDIN:

Place: Chennai
Date:

Annexure - C

To,
The Members of Sethusamudram Corporation Limited

Below are our reply to the Directions and Sub-directions issued by The Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 for the financial year ended March 31st, 2020:

Sl No	Directions / Sub-Directions	Action taken	Impact on Financial Statement (Rs.)
	Directions		
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us, the Company maintains accounts in Tally Software. The Company has not begun commercial operations. All the income and expenses are accounted in Tally. No processing of accounting transactions outside IT system has taken place during the year 2019-20.	Not Applicable
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to information and explanations given to us, during the year 2019-20, no cases of restructuring/waiver/write off of debts/loans /interest etc.	Not Applicable
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to information and explanations given to us, during the year 2019-20, no funds were received/receivable for specific schemes from Central/State agencies.	Not Applicable

For P.Pattabiramen & Co
Chartered Accountants
Firm Regn.No 002609S


P. Pattabiramen

Partner/ M.No.014430

UDIN: 20014430AAAAFG6646

Place: Chennai-600040

Date: 07.12.2020



Name of the Public Sector Undertaking ~ Sethusamudram Corporation Limited (SCL)

DETAILS OF CASES AND ITS POSITIONS

Sl. No	Name of the Petitioner	Case No and name of the court in which the case is pending	Since when the case is pending	Category / Brief issue of the case	Amount involved (In Rs.)	Present status of the case
1	O.Fernandes Vs. TNPCB, UoI, TPT & Others	WP 33528 & 34436 In the High Court of Madras	2004	The public hearing carried out from 07.09.2004 to be ineffective and stay further public hearing to be held from 19.11.2004 to 30.11.2004. Since the EIA conducted by NEERI is not a comprehensive one and the public hearing not complying with requirements of law.	NIL	All cases are against the implementation of SSCP. All cases are being heard as a single one. The case was lastly heard on 13.11.2017. ASG prayed six weeks time to obtain instructions and appraise the court about the present position.
2	O.Fernandes Vs UoI, MoE&F, TPT, NPCB & Others	WP 21532 of & WP MP nos 23473 to 23475. In the High Court of Madras.	2005	Quash the environmental clearance dated 31.03.2005	NIL	As above
3	O.Fernandes Vs UoI & Others	SLP (C) 19176 & SLP (C) 20758. In the Hon'ble Supreme Court of India.	2005	(a) Stay the operation of Final judgment and order dated 30.06.2005 in WP (C) 21532/2005 passed by the High Court of Judicature at Madras. (b) Stay further implementation of Sethusamudram Ship Channel Project SSCP) being undertaken by the respondent	NIL	As above

4	Shri. Ramagopalan Vs UoI & Others	WP No 18076. Subsequently these become transfer case (C), 25 at Hon'ble Supreme Court of India.	2007	Adams Bridge be not demolished by following alignment no.6 and directing the respondent to consider completion of the project by any other alignment except alignment No.3,5 & 6 and complete the project following alignment No.1, 2 or 4	NIL	As above
5	Dr. Subramanyan Swamy & UoI & Others	WP NO.18223 Subsequently these become transfer case (C), 26 at Hon'ble Supreme Court of India.	2007	Issue a writ of mandamus or any other appropriate writ or order directing the respondents particularly the 2 & 5th respondent in implementing the SSCP by following any other alternative route or alignment without affecting or destroying or demolishing the historic place Ram Sethu otherwise known as Adams Bridge	NIL	As above
6	Dr. Subramanyan Swamy & UoI & Others	WP NO.18224 Subsequently these become transfer case (C), 27 at Hon'ble Supreme Court of India.	2007	Issue a writ of mandamus or any other appropriate writ or order directing the respondents 1, 3 & 4 to conduct investigation into the origin and history of Adams Bridge / Ram Sethu and consequently declare it as monuments of national importance under the Ancient Monument and Archaeological Sites and Reminds Act 1958.	NIL	As above

7	Dandi Swamy Shri Vidyanande Bharathi Ji Monk of Sankaracharya Vs UoI & Others	WP (C) NO.413 at Supreme Court of India.	2007	<p>Quash the decision of UoI to undertake SSCP</p> <p>2.Quash the Environmental clearance dated 31.03.2005</p> <p>3.Quash the permission granted to SSCP under the provision of wild life (protection) Act, 1972</p> <p>4.Directing the respondents here in not to implement the SSCP</p> <p>5.Directing the Central Government to declare Ram Sethu as an ancient monument of national importance under the ancient Monument and Archaeological Sites and Remains Act 1958</p>	NIL	As above
8	Ms.J.Jayalalithaa Vs UoI & Others	WP No.15 at Hon'ble Supreme Court of India	2008	<p>Issue a writ order or direction in the nature of a writ or mandamus directing the 3rd & 4th respondents to declare Adams Bridge / Ram Sethu as a national monument and takeover preserve and maintain the same.</p> <p>Forbear the 1st & 2nd respondents from in any manner destroying / damaging the said Adams Bridge / Ram Sethu in the process of</p>	NIL	<p>The above case was lastly heard on 13.11.2017. The learned ASG prayed six weeks time to obtain instructions from Govt and appraise the court about the present position.</p> <p>Accordingly an affidavit has been filed on 16.03.2018, stating" that the Govt of India intends to explore an alternative to the earlier alignment of</p>

				execution of the Sethusamudram Project.		Sethusamudram Ship Channel Project without affecting/damaging the Adam's Bridge/Ram sethu in the interest of the nation. The Hon'ble Court may dispose of the petitions accordingly. Further hearing date yet to be announced and awaiting for final judgment.
9	Hyundai Engineering Construction Ltd.	& Pvt.	CS 822/2007 in the High Court of Chennai	2007	EMD for Rs. 14.13 Cr. for dredging works has been forfeited by TPT on behalf of SCL.	14.13 Cr. The case was dismissed and in favor of SCL.

SETHUSAMUDRAM CORPORATION LIMITED				
Statement of Profit and Loss account for the year ended 31.03.2020				
	Particulars	Note No.	As at 31.03.2020 Rs. in Lakhs	As at 31.03.2019 Rs. in Lakhs
I	Revenue from operations			
II	Other Income	18	326.99	455.57
	Net gain on de-recognition of financial assets at amortized cost		-	-
III			-	-
IV	Net gain on reclassification of financial assets		-	-
V	Total Income (A)		326.99	455.57
VI	<u>Expenses:</u>			
	Employee benefit expenses	19	27.80	27.44
	Finance Costs		-	-
	Depreciation and Amortization expenses	2	0.04	0.19
	Impairment losses		-	-
	Net loss on de-recognition of financial assets at amortized cost		-	-
	Net loss on reclassification of financial assets		-	-
	Other expenses	20	38.93	33.62
	Total Expenses (B)		66.77	61.25
	Profit before Prior period adjustments (A-B)		260.22	394.32
	Prior Period Adjustments	21	(0.04)	1.39
VII	Profit before exceptional items and Tax		260.18	395.71
VIII	Exceptional Items	22	-	31.26
IX	Profit before Tax		260.18	364.45
X	Tax expense:			
	(1) Current Tax	23	94.81	123.33
	(2) Deferred Tax		-	-
XI	Profit / (Loss) for the period from continuing operations		165.37	241.12
XII	Profit/ (loss) from discontinued operations		-	-
XIII	Tax expense of discontinued operations		-	-
XIV	Profit/ (loss) from discontinued operations (after tax)		-	-
XV	Profit / (loss) for the period (XI + XIV)		165.37	241.12
XVI	Other Comprehensive Income		-	-
XVII	Total Comprehensive Income for the period (XV + XVI)		165.37	241.12
XVIII	Earnings per equity shares (for continuing operation)			
	(1) Basic		0.02	0.03
	(2) Diluted		0.02	0.03
XIX	Earnings per equity shares (for discontinued operation)			
	(1) Basic		-	-
	(2) Diluted		-	-
	Earnings per equity shares (for discontinued & continuing operations)			
	(1) Basic		0.02	0.03
	(2) Diluted		0.02	0.03
Significant Accounting Policies				
See accompanying Notes to the Financial Statements		1 to 32		

As per report of even date
for P.Pattabiramen & Co.
Chartered Accountants

For and on behalf of the Board

P.Pattabiramen
Membership No. 014430
Firm Regn. No. 002609S
UDIN No.

Chairman cum Managing Director

Smt.S.Shanthi
General Manager (F)

Shri. Sunil Paliwal
Director

Place :Chennai
Date :

SETHUSAMUDRAM CORPORATION LIMITED

BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	As at 31.03.2020 <u>Rs. in Lakhs</u>	As at 31.03.2019 <u>Rs. in Lakhs</u>
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	2	4.79	4.15
(b) Capital Work-in-Progress	3	86,825.44	86,825.47
(c) Other Intangible assets	4	-	-
(d) Other non-current assets	5	139.71	137.56
TOTAL [1]		86,969.94	86,967.18
(2) Current Assets			
(a) Financial Assets			
(i) Trade receivables	6	790.09	802.62
(ii) Cash and Cash equivalents	7	3,174.02	7,045.03
(iii) Loans	8	0.21	0.21
(iv) Other financial assets	9	115.85	163.72
(b) Other current assets	10	21.13	308.58
TOTAL [2]		4,101.30	8,320.16
TOTAL A - [1+2]		91,071.24	95,287.34
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	74,500.00	74,500.00
(b) Other Equity	12	6,998.94	6,832.92
TOTAL [1]		81,498.94	81,332.92
(2) Non-Current Liabilities			
(a) Provisions	13	9,534.13	13,388.96
(b) Other non current liabilities	14	19.99	19.85
TOTAL [2]		9,554.12	13,408.81
(3) Current Liabilities			
(a) Other Current Liabilities	15	18.18	283.14
(b) Provisions	16	-	-
(c) Current Tax Liabilities (Net)	17	-	262.45
TOTAL [3]		18.18	545.59
TOTAL B - [1+2+3]		91,071.24	95,287.34

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 32

As per report of even date
for P.Pattabiramen & Co.
Chartered Accountants

For and on behalf of the Board

P.Pattabiramen
Membership No. 014430
Firm Regn. No. 002609S
UDIN No.

Chairman cum Managing Director

Shri. Sunil Paliwal
Director

Smt.S.Shanthi
General Manager (F)

Place :Chennai
Date :

SETHUSAMUDRAM CORPORATION LIMITED

Applicable Ind AS Notes

1) Corporate Information

The Sethusamudram Ship Channel Project (SSCP) envisaged reduction in the journey time and distance between the east and west coast of India and other countries and to improve the navigation within territorial waters of India. With a view to establish this channel, the Government of India formed Sethusamudram Corporation Limited as a Special Purpose Vehicle on 2nd September, 2004 and the same was incorporated as a Company on 6th December, 2004 having its registered office at Indian Maritime University, Uthandi, Chennai with Corporate office at Anchor Gate Building, Rajaji Salai, Chennai.

2) Summary of Significant accounting policies

1 Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on historical cost basis under accrual basis of accounting.

The financial statements upto year ended March 31, 2020 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act.

The financial statements are authorized for issue by Company's board of directors on 07th December, 2020

The financial statement figures have been rounded off to the nearest Rupee in Lakhs.

2 Basis of Accounting

The books are maintained on accrual basis as a going concern. The accounting policies are applied consistently to all the periods presented in the financial statements.

3 Valuation of Inventories

Ind AS 2 is not applicable, as the Company does not hold any inventories

4 Statement of Cash Flows

Cash Flow prepared as per indirect method and complied with Ind AS 7

5 Accounting Policies, Changes in Accounting Estimates and errors

Ind AS 8 is applicable and there is no changes in the estimates for the AY 2020-21

The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the company. Such Changes are reflected in the assumptions when they occur.

6 Events after the Reporting Period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved

The nature of the event and its financial effect are disclosed in the notes forming part of financial statements.

7 Taxes on Income

Current tax for current and prior periods, to the extent unpaid is recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The Company has provided for Income Tax on the estimated interest income for the year . As the Company is entitled for Tax Holiday u/s 80-IA of the Income Tax Act, there is no virtual certainty of adjusting the taxes already paid against future tax liabilities. Hence, Deferred Tax Asset/Liability has not been recognized in the accounts.

8 Property, Plant and Equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 and use that carrying value as the deemed cost of such property , plant and equipment.

Property, Plant and Equipment are stated at historical cost less depreciation. Capital Work in progress is stated at cost. All costs relating to the acquisition and installation of assets are capitalized. Any trade discounts and rebates are deducted in arriving at the cost. The net carrying amount of Property, Plant and Equipment is the cost of fixed asset or other amount substituted for cost, less its residual value.

Any item of property, plant and equipment and any significant part initially recognized is derecognized, upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Depreciation is charged on Useful Life of assets basis at the rates prescribed under Schedule II to the Companies Act, 2013. Useful life of fixed asset is the period over which an asset is expected to be available for use by an entity. The Company has adopted residual life of fixed assets as specified in the Part C of the Schedule II to the Companies Act, 2013.

Depreciation method and useful life are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advices, the management believes that its estimates of useful life as given above best represent the period over which management expects to use these assets.

Depreciation on property, plant and equipment added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/disposal.

9 Impairment of Assets

Pending Decision on Project in Supreme Court, not in the position to satisfy Ind AS 36 on impairment of asset.

10 Revenue recognition

The Company has not begun commercial operations till date. Other Income shown in Statement of Profit and Loss includes interest earned from short term deposit of unutilized funds in banks. All expenditures are met out of these income and surplus is transferred to Reserves & Surplus. Interest income is recognised on a time proportion basis.

11 Foreign currency transactions

The company has not made any transactions involving foreign currencies during the year, hence Ind AS 21 is not applicable.

12 Investments

The company has not made any investments as specified under Ind AS 32, Ind AS 107 and Ind AS 109 hence the same are not applicable.

13 Employees Benefits

The company does not have any statutory obligation towards Provident Fund, Employee State Insurance Corporation, superannuation fund and gratuity fund, hence the provisions of Ind AS 19 is not applicable

14 Borrowing Cost

The company doesnot have any borrowings, hence Ind AS 23 is not applicable

15 Related Party Disclosures

The information on Related Party transactions is compiled based on Ind AS 24 on Related Party Disclosures.

16 Leases

The Company has not entered into any contract of lease, hence Ind AS 17 is not applicable.

17 Investment Property

The company does not have any investment property, hence Ind AS 40 is not applicable.

18 Financial Assets & Liabilities

The Company identifies and categorizes its financial assets and liabilities and accounts them on the fair value as prescribed under Ind AS 32, Ind AS 107 and Ind AS 109 - Financial Instruments.

19 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment if any. Intangible assets are amortized over their respective estimated useful lives on a straight line basis, from the date that they are available for use.

Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the intangible asset is derecognized.

20 Provisions, Contingent liabilities and Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period.

The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement.

Contingent liabilities may arise in relation to claims against the company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

21 Earning Per Shares

Ind AS 33 is applicable and workings are made for the AY 2020-21

22 Cash and Cash equivalents

Cash and Cash equivalents in the balance sheet comprises Cash at Bank and on Hand and Short term deposits.

As the current investments are Fixed Deposits with the nationalized banks, there will not be any difference between cost and realizable value.

23 Interim Financial Reporting

Ind AS 33 is not applicable.

SETHUSAMUDRAM CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note No	Particulars	Computers & Accessories	Furniture & Fixtures	Vehicles	Office equipment	Total
Non-Current Assets						
2	Property, Plant & Equipment					
	Reconciliation of Carrying amount					
	Cost or deemed Cost (gross carrying amount)					
	Balance at 01.04.2018	1342763	4348387	510550	3369048.00	9570748.00
	Additions	0	0	0	0.00	0.00
	Disposals	0	0	0	0	0.00
	Exchange differences on translation of foreign operations	0	0	0	0	0.00
	Balance at 31.03.2019	1342763	4348387	510550	3369048.00	9570748.00
	Balance at 01.04.2019	1342763	4348387	510550	3369048	9570748.00
	Additions	0	0	0	0	0.00
	Disposals	0	0	0	0	0.00
	Exchange differences on translation of foreign operations	0	0	0	0	0.00
	Balance at 31.03.2020	1342763	4348387	510550	3369048	9570748.00
	Accumulated Depreciation and impairment losses					
	Balance as at 01.04.2018	1305017	4130285	485024	3253423	9173749
	Depreciation for the Year	0	683	0	0	683
	Adjustment to Depreciation	0	0	0	-21263	-21263
	Disposals	0	0	0	0	0
	Exchange differences on translation of foreign operations	0	0	0	0	0
	Balance at 31.03.2019	1305017	4130968	485024	3232160	9153169
	Balance at 01.04.2019	1305017	4130968	485024	3232160	9153169
	Depreciation for the Year	418	0	0	3116	3534
	Adjustment to Depreciation	-29813	0	-2	-35987	-65302
	Disposals	0	0	0	0	0
	Exchange differences on translation of foreign operations	0	0	0	0	0
	Balance at 31.03.2020	1275622	4130968	485022	3199289	9090901
	Carrying amount (net)					
	At 31.03.2019	37745	217419	25526	136888	417579
	At 31.03.2020	67141	217419	25528	169759	479847

- (i) Property, Plant and Equipment are accounted for at the historical cost and all cost relating to the acquisition and installation of fixed assets are capitalized.
- (ii) The net carrying amount of Property, Plant and Equipment is the cost of fixed asset or other amount substituted for cost, less its residual value.
- (iii) Useful life of fixed asset is the period over which an asset is expected to be available for use by an entity. The Company has adopted residual life of fixed assets as specified in the Part C of the Schedule II to the Companies Act, 2013.
- (iv) Depreciation method and useful life are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advices, the management believes that its estimates of useful life as given above best represent the period over which management expects to use these assets.
- (v) Negative balances denote excess depreciation of earlier years.

Note No

	As at 31.03.2020	As at 31.03.2019
3 Capital Work-In Progress		
Capital Dredging	84,096.34	84,096.35
Coastal Community Development Programme	517.94	517.95
Navigation Aids	226.69	226.69
Shore Based facilities	160.75	160.76
VTMS Systems	12.01	12.01
Survey, Studies & Allied expenses	1,811.71	1,811.71
	86825.44	86825.47
Balance carrying amount as at 31st March	86825.44	86825.47

Capital dredging work was suspended on the direction of Hon'ble Supreme court in 2007 due to various litigations. Capital WIP includes expenses incurred on a. Capital Dredging, Navigational Aids, VTMS systems, Shore based civil works c. Coastal community development programme i.e. development of fishing harbours, d. survey and studies and other services, after adjusting any amount recoverable from the contractor as per the terms of the agreement entered with them. In respect of Adams bridge dredging work has been temporarily suspended w.e.f. 17.9.07 consequent to the direction of the Hon. Supreme Court of India. The recommencement of the work and completion may depend on the final verdict of Hon. Supreme Court of India.

4	Other Intangible assets	Cost		Accumulated depreciation		Net carrying amount	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	<u>Intangible assets</u>						
	1. Software	4.40	4.40	4.40	4.40	-	-
	Total	4.40	4.40	4.40	4.40	-	-

In respect of software, depreciation fully claimed in previous years on SLM basis over a estimated life period of 3 years

5	Other non-current assets	As at		As at	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
	<u>Advances to Related parties</u>				
	<u>Unsecured, Considered good</u>				
	Sundry receivables	0.00	0.00	0.00	0.00
	IT refunds	0.00	0.00	0.00	0.00
	Sundry Adjustments	103.58	103.58	103.58	102.98
	<u>Secured, Considered good</u>				
	Security deposit for Rent, Electricity, etc	36.13	36.13	36.13	34.58
	Capital Advances				
	<u>Unsecured, Considered good</u>				
	Advance payment to DCI for dredging at Palk Strait*	0.00	0.00	0.00	-
	Total	139.71	139.71	139.71	137.56

Due to prolonged Court cases DCI withdrawn all dredgers on 27.07.2009. However, DCI claimed additional cost for the dredging work carried out. In this regard, many committees were formed. Finally, MOS constituted a committee with AS&FA, MOS, JS(P) & DA (P). This committee had a meeting on 25.02.2019 and finalise the amount to be given to DCI by the company as Rs.136.72 Crores. Rs.21.00 Crores was paid from the available funds of the company and company has requested a grant of Rs.115.72 crores from MOS, GOI therefore the advance payment to DCI has been accounted under Capital Work in Progress since final settlement on the amount to be settled has been arrived at.

6	Current Assets	As at	As at
	Trade receivables: Sale of Launches, Channal Buoys and lease charges	31.03.2020	31.03.2019
	Receivables from related parties		
	Chennai Port Trust	0.00	12.52
	Ennore Port Limited	1.00	1.00
	Tuticorin Port Trust	131.61	131.62
	Trade receivables		
	Kandla Port Trust	3.58	3.58
	Mormagao Port Trust	643.64	643.64
	Mumbai Port Trust	8.31	8.31
	New Mangalore Port Trust	1.95	1.95
		790.09	802.62

Trade Receivables include dues from various Ports towards sale/lease of launches and channel buoys. Trade Receivables also include certain unconfirmed balances, which in the opinion of management would realize their value, as stated in accounts, in the ordinary course of business. The amount due from Trade Receivables is not a Trade receivable in the ordinary course of business.

In respect of Sundry Debtors, the company has no other security other than the personal guarantee of the concerned parties.

Pending finalization of detailed terms and conditions with the major ports relating to sale / lease of launches, the interest, if any, receivable for the delayed payment by the major ports has not been accounted in the books in tune with Ind AS 18.

7	Cash & Cash Equivalents	As at	As at
		31.03.2020	31.03.2019
	(a) Balances with Banks		
	Indian Bank A/c No. 422161367	0.00	0.00
	Indian Bank A/c No. 802770387	0.00	0.00
	Indian Bank A/c No. 6469440457	138.87	2109.92
	Short Term Deposits with Banks	3035.00	4935.00
	(b) Cash in hand	0.15	0.11
	Total	3174.02	7045.03

(i) Confirmation of balances has been obtained from banks for the Short-term Deposits held by them

(ii) As the current investments are Fixed Deposits with the nationalized banks, there will not be any difference between cost and realizable value.

8	Loans		As at 31.03.2020	As at 31.03.2019
	(i) (a) Loans and advances to related parties			
	(b) Others - Secured, Considered good			
	Advance to Employees		0.21	0.21
	Total		0.21	0.21
	(ii) Loans and advances including dues from the Directors / Officers as follows:			
	Duc as on year end		(nil)	(nil)
	Maximum amount due at any time during the financial year		(nil)	(nil)
9	Other Financial Assets : Interest		As at 31.03.2020	As at 31.03.2019
	Accrued Interest on Short Term Deposits		115.85	163.72
	Interest due from banks		0.00	0.00
			115.85	163.72
10	Other Current Assets		As at 31.03.2020	As at 31.03.2019
	Advance Tax & TDS		14.92	294.96
	Prepaid Rent & Other Expenses		6.21	13.62
	Total		21.13	308.58
11	A. Authorized, Issued, Subscribed and Paid-up Share Capital		As at 31.03.2020	As at 31.03.2019
	Authorised:		1,00,000.00	1,00,000.00
	1,00,00,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,00,00,00,000 Equity Shares of Rs. 10/- each)			
	Issued, Subscribed and Paid-up:		74,500.00	74,500.00
	74,50,00,000 Equity Shares of Rs. 10/- each fully paid up (Previous Year 74,50,00,000 Equity Shares of Rs. 10/- each)			
	Total		74,500.00	74,500.00

Out of Rs. 1000 crores of Authorized Capital earmarked for the Project, Rs.745 crores has been subscribed and paid up by various stakeholders. The contribution by Government of India is Rs.495 crores. The contribution by V.O.Chidambaram Port Trust and Shipping Corporation of India is Rs.50 crores each. The remaining Rs.150 crores has been contributed by the Dredging Corporation of India, Chennai Port Trust, Ennore Port Limited, Vishakapatnam Port Trust and Paradip Port Trust at Rs.30 crores each

B. Reconciliation of Number of Shares outstanding at the beginning and end of the year :

	2019 - 2020	2018 - 2019
	Numbers	Numbers
Equity Shares outstanding at the beginning of the year	74,50,00,000.00	74,50,00,000.00
Add: Equity Shares issued during the year	-	-
Less: Equity shares bought back/redeemed during the year	-	-
Equity Shares outstanding at the end of the year	74,50,00,000.00	74,50,00,000.00

C. Details of Shareholders holding more than 5% Shares of the Company on the reporting date

Name of the Shareholder	Class of share	As at 31.03.2020			As at 31.03.2019		
		Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
Government Of India	Equity	49,50,00,000	66.43	49,50,00,000	66.43		
V.O.Chidhambaram Port Trust	Equity	5,00,00,000	6.71	5,00,00,000	6.71		
Shipping Corporation Of India	Equity	5,00,00,000	6.71	5,00,00,000	6.71		
Others	Equity	15,00,00,000	20.15	15,00,00,000	20.15		
Dredging Corporation of India							
Chennai Port Trust							
Ennore Port Limited							
Vishakapatnam Port Trust							
Paradip Port Trust							
Total		74,50,00,000	100.00	74,50,00,000	100.00		

12 Other Equity

	As at 31.03.2020	As at 31.03.2019
Other Reserves		
1. Capital Reserve		
- As per last Balance Sheet	1,499.59	1,499.59
- Additions/(Deductions)	-	-
Total	1,499.59	1,499.59
2. Retained Earnings		
- As at 31.03.2019	5,333.33	5,092.21
- Profit / (Loss) for the period	165.37	241.12
- Excess Depreciation of earlier years	0.65	
- As at 31.03.2020	5,499.35	5,333.33
Total (1+2)	6,998.94	6,832.92

The Company has not begun commercial operations till date. Other Income shown in Statement of Profit and Loss includes interest earned from short term deposit of unutilized funds in banks. All expenditures are met out of these income and surplus is transferred to Reserves & Surplus.

13 Provisions	<u>As at</u>	<u>As at</u>
	<u>31.03.2020</u>	<u>31.03.2019</u>
Provision for Capital Dredging	9,534.13	13,388.96
Provision for Consultancy Service charges	0.00	0.00
	9,534.13	13,388.96
14 Other non current Liabilities	<u>As at</u>	<u>As at</u>
	<u>31.03.2020</u>	<u>31.03.2019</u>
(a) From Other Parties		
Deposits	19.99	19.85
Total	19.99	19.85
15 Other Current Liabilities	<u>As at</u>	<u>As at</u>
	<u>31.03.2020</u>	<u>31.03.2019</u>
Audit fee payable	1.04	1.06
Expenses payable	11.98	6.43
Duties & Taxes payable	0.81	273.72
Salaries and other dues to employees	0.00	0.00
Rent Payable	4.35	1.93
Total	18.18	283.14
(i) Duties and taxes payable includes TNVAT and TDS payments		

16 Provisions	<u>As at</u>	<u>As at</u>
	<u>31.03.2020</u>	<u>31.03.2019</u>
(i) Provision for CCDP Training Programme	0.00	0.00
Total	0.00	0.00
17 Current Tax Liabilities (Net)	<u>As at</u>	<u>As at</u>
	<u>31.03.2020</u>	<u>31.03.2019</u>
Provision for taxation	0.00	262.45
	0.00	262.45
18 Other Income	<u>As at</u>	<u>As at</u>
	<u>31.03.2020</u>	<u>31.03.2019</u>
Interest on Short-Term Deposits	326.97	455.25
Miscellaneous income	0.02	0.32
Total	326.99	455.57

19 Employee benefit expenses		As at	As at
		31.03.2020	31.03.2019
Leave Salary & Pension Contribution		0.00	0.00
Salaries & Wages - Contract Employees		18.31	18.36
Salary & Wages - Deputationists & others		9.43	9.00
Staff welfare expenses		0.06	0.08
Total		27.80	27.44
Managerial remuneration paid to the Chairman cum Managing Director during the year is NIL.			
Note No		As at	As at
		31.03.2020	31.03.2019
20 Other expenses			
Administrative expenses		2.68	2.19
Rent		22.18	24.62
Legal and Professional Charges		7.67	1.07
Internal Audit Fee		0.10	0.12
Statutory Audit		0.60	0.71
Secretarial Audit		0.15	0.18
Repairs and maintenance		1.97	2.01
Travelling and Conveyance		3.58	2.73
Interest on TDS		0.00	0.00
Rebate on sale of launches		0.00	0.00
Total		38.93	33.62

21 Prior Period Adjustments include the following		As at	As at
		31.03.2020	31.03.2019
Rent			
Loss on sale of Navigational Aids			
Income Tax including interest		0.04	(1.01)
Prior Period Expense & Dues recoverable from DCI adj			(0.38)
Excess Depreciation of earlier years		0.04	-1.39
Net Prior period adjustments			
22 Exceptional items		As at	As at
		31.03.2020	31.03.2019
Loss on disposal of Asset		0.00	31.26
23 Tax expense		As at	As at
		31.03.2020	31.03.2019
Current Tax		94.81	123.33
Deferred Tax			
Total		94.81	123.33

The Company has provided for Income Tax on the estimated interest income for the year. As the Company is entitled for Tax Holiday u/s 80-1A of the Income Tax Act, there is no virtual certainty of adjusting the taxes already paid against future tax liabilities. Hence, Deferred Tax Asset/Liability has not been recognized in the accounts.

Current Income Tax assets and liabilities are measured at an amount expected to be recovered from or paid to the taxation authorities. The Tax Rate and Tax Laws are used to compute the amount those that are enacted or substantively enacted at the reporting date in India.

24 Surplus in Profit & Loss account

The Company is in construction stage, implementing the Sethusamudram Ship channel project and the Company has not commenced commercial operations. However, necessary details as per Part II of Schedule III of the Companies Act, 2013 have been disclosed in the Statement of Profit and Loss and the net surplus is disclosed separately under Other Equity in the Balance Sheet.

25 Contingent Liabilities

Description	Estimated Amount (Rs. in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Claims against the Company/ Disputed liabilities not acknowledged by VoC PT		
a. Centage charge Claimed by VoC PT	785.00	785.00
b. EMD forfeited from M/s. Hyundai Engineering & construction	1,413.00	
c. Towards Share of meeting expenses	0.83	0.83

The contingent liability of M/s. Hyundai Engineering & Construction Company withdrawn, since the Hon'ble Court dismissed the case, hence in favour of SCL & no liability.

26 Related Party Disclosure as required by IndAS 24

- a) Description of relationships and names of related parties
 Shri. P. Raveendran P. Shri. Sunil Paliwal, Shri. T.K. Ramachandran, Shri. Rajesh Tripathi Shri. Rinkesh Roy, Shri. Cyril George, Smt. Shipra Sharma, Smt. Sangeeta Anil Sharma, Shri. P.L. Haranadh
 ii) Shareholders
 Govt. of India, V.O. Chidambaram Port Trust, Shipping Corporation of India Ltd, Dredging Corporation of India Ltd, Chennai Port Trust, Kamarajar Port Limited, Visakhapatnam Port Trust and Paradip Port Trust

Nature of Transaction	Key Management	Share holders
Additional charge paid to Director	1.30	
Rent paid		19.40
Trade receivables		132.61
Other Non Current Assets		36.08

Managerial remuneration paid during the year is Nil

- 27 Trade Receivables, Deposits, Sundry Adjustments, Sundry Receivables and Capital Advances are subject to confirmation and reconciliation.

28 Additional information pursuant to the provisions of part II of Schedule III to the Companies Act 2013

- (i) CIF Value of imports during the year (nil)
 (ii) Expenditure in foreign currency on account of Royalty, Technical Know-how, Consultancy, etc. (nil)
 (iii) Value of imported spare parts & components consumed during the year (nil)
 (iv) Amount settled in Foreign currency during the year on account of dividends (nil)
 (v) Earnings in Foreign currency (nil)

29 There is no amount owed by the company, on the date of Balance sheet, to Micro, Small and Medium Enterprises as per the provisions of sec.22 of the Micro, Small and Medium Enterprises Development Act, 2006

30 (i) Figures have been rounded off to the nearest Rupee in Lakhs.
(ii) Figures for the previous year have been regrouped wherever necessary to conform to this year's classification

31 Earnings per share

Earning per share is calculated by dividing the profit attributable to shareholders by the number of equity shares outstanding during the year. The earning per share is calculated as follows:

	As at 31.03.2020	As at 31.03.2019
Profit / (Loss) after tax - Re. Lacs	165.37	241.12
Number of Equity shares	7,450,000	7,450,000
Face value per share	10.00	10.00
Earnings per share (EPS)	0.02	0.03

32 As per directions of MoS vide letter dated 18.06.2019, SCL in its 59th Board meeting dated 28.06.2019 accorded approval for sending the proposal of closure of the company to MoS after obtaining legal opinion. The company is in the process of taking further course of action.

33 The Company is yet to appoint a compliance officer being a Company Secretary on board of the Company which is mandatory as per provisions of Companies Act, 2013.

34 The spread of COVID-19 virus across the globe and in India has contributed a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The govt of India declared nation wide lock down effective from 25th March, 2020 and further extended the lock down. Since the Company has not commenced operations, the revenues and profitability of the Company will not have any impact. The Company will continue to closely monitor any material changes to future economic conditions.

As per the report of even date
for P. Pattabiramen & Co. Chartered
Accountants

P. Pattabiramen
Membership No. 014430
Firm Regn No. 002609S
UDIN No.

Smt. S. Shanthi
General Manager (Finance)

Place: Chennai
Date:

For and on behalf of the Board

Chairman cum Managing Director

Shri. Sunil Paliwal
Director

SETHUSAMUDRAM CORPORATION LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2020

	Particulars	March 31' 2020 Rs. In Lakhs	March 31' 2019 Rs. In Lakhs
A	Cash Flow from Operating activities		
	<i>Net Profit before Exceptional Item & Tax</i>	260.18	395.71
	<i>Adjusted for :</i>		
	Depreciation for the year	0.04	0.19
	Interest on Investments	(326.97)	(455.25)
	Operating Profit before working Capital changes	(66.75)	(59.35)
	<i>Adjustments for changes in working Capital</i>		
	(Increase) / Decrease in Trade Receivables	12.53	39.64
	(Increase) / Decrease in Loans and other financial assets	47.87	114.98
	(Increase) / Decrease Other Current Assets	7.41	(13.55)
	(Increase) / Decrease Other Non-Current Assets	(2.15)	7,118.12
	Increase / (Decrease) Other Current Liabilities	(264.96)	266.40
	Increase / (Decrease) Other Non-Current Liabilities	0.14	-
	Increase / (Decrease) Provisions	(3,854.86)	8,600.36
	Increase / (Decrease) Current Tax Liability	(357.26)	-
	Cash generated from operations	(4,478.03)	16,066.60
	Income Tax Paid	280.04	(145.58)
	Cash flow before Exceptional items	(4,197.99)	15,921.02
	<i>Exceptional items:</i>		
	Loss on sale of Capital work in progress	-	(31.26)
	Provision for impairment	-	-
	<i>Adjusted for Non cash items</i>	-	31.26
	Cash flow from Exceptional items	-	-
	Net Cash from Operating activities	(4,197.99)	15,921.02
B	Cash flow from Investing activities		
	Interest from Investments	326.97	455.25
	(Additions)/deletions to PPE & Capital work in progress		(15,999.22)
	Net Cash from Investing activities	326.97	(15,543.97)
C	Cash flow from financing activities		
	Net Increase in cash & cash Equivalents	(3,871.01)	377.06
	Cash and cash equivalents at the beginning of the year	7,045.03	6,667.97
	Cash and cash equivalents at the end of the year	3,174.02	7,045.03

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 32

As per report of even date
for P.Pattabiramen & Co.
Chartered Accountants

For and on behalf of the Board

P.Pattabiramen
Membership No. 014430
Firm Regn. No. 002609S

Chairman cum Managing Director

Smt.S.Shanthi
General Manager (F)

Shri. Sunil Paliwal
Director

Place : Chennai

Date :

SETHUSAMUDRAM CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

a) EQUITY SHARE CAPITAL

	No. of Shares	Amount
Equity Share of INR 10 each issues, subscribed and fully paid	74,50,00,000	74,500
As At 31st March 2018	74,50,00,000	74,500
Issue of Share Capital	-	-
As at 31st March 2019	74,50,00,000	74,500
Issue of Share Capital	-	-
As At 31st March 2020	74,50,00,000	74,500

b) OTHER EQUITY

For the year ended 31 March 2020

	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL OTHER EQUITY
As at 31st March 2019	1,499.59	5,333.33	6,832.92
Profit for the period & Excess Depn	-	166.02	166.02
Other Comprehensive Income, net of Tax	-	-	-
Total Comprehensive Income	-	166.02	166.02
As At 31st March 2020	1,499.59	5,499.35	6,998.94

For the year ended 31 March 2019

	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL OTHER EQUITY
As at 31st March 2018	1,499.59	5,092.21	6,591.80
Profit for the period	-	241.12	241.12
Other Comprehensive Income, net of Tax	-	-	-
Total Comprehensive Income	-	241.12	241.12
As At 31st March 2019	1,499.59	5,333.33	6,832.92

As per report of even date
for P.Pattabiramen & Co.
Chartered Accountants

For and on behalf of the Board

P.Pattabiramen
Membership No. 014430
Firm Regn. No. 002609S

Chairman cum Managing Director

Shri. Sunil Paliwal
Director

Smt.S.Shanthi
General Manager (F)
Place :Chennai
Date :