



भारतीय नौवहन निगम लिमिटेड

(भारत सरकार का उद्यम)

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

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



The Shipping Corporation Of India Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)

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

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

सीआईएन/CIN-L63030MH1950G01008033

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

Ref. No: A10-SEC-BD-808

06.11.2019

To,

Corporate Relationship Department, Bombay Stock Exchange Ltd, 1 st Floor, New Trading Ring, Rotunda Building, P.J. towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code- 523598	The Manager, Listing Department, The National Stock Exchange of India Ltd., 'Exchange Plaza', Bandra- Kurla Complex, Bandra (East), MUMBAI - 400 051. Trading Symbol- SCI
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Dear Sir/ Madam,

Compliance of Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At the meeting of Board of Directors of SCI held on 06.11.2019, the Unaudited Standalone and Consolidated Financial Results for quarter and half year ended on 30.09.2019 were approved.

The copy of the Unaudited Standalone and Consolidated Financial Results along with the copy of Limited Review Report is enclosed for your information and record.

The Meeting of the Board of Directors commenced at 1400 hours and concluded at 1705 hours.

Thanking You,

Yours faithfully,

कृते भारतीय नौवहन निगम लिमिटेड
For THE SHIPPING CORPORATION OF INDIA LTD.


दिपांकर हालदार/DIPANKAR HALDAR
कार्यकारी निदेशक (विधिक मामले) एवं कंपनी सचिव
Executive Director (Legal Affairs) & Company Secretary

Independent Auditor's Review Report on quarterly and year to date Unaudited Standalone Financial Results of The Shipping Corporation of India Ltd. pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To The Board of Directors
The Shipping Corporation of India Ltd.**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of The Shipping Corporation of India Ltd. ("the Company") for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement are free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Emphasis of Matter:**
We draw attention to the following:
 - i. We draw attention to Note No. 11 of the Statement, C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of Rs. 11.03 crores for the FY 2014-15. Audit observed that the Company did not follow the DPE guidelines for determining the PBT for the FY 2014-15. The Company has submitted its response and the matter is under the consideration of C&AG and the final outcome is awaited.



ii. We draw attention to Note No. 4 of the Statement, the Company is in process of analysing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis gratuity liability has been adequately provided for in books of account.

iii. Trade Receivables including reimbursable, Trade Payables and Deposits are subject to the balance confirmations, subsequent reconciliation and consequential adjustments, if any, as on September 30, 2019.

Our Opinion is not modified in respect of these matters.

6. The Statement includes comparative figures for the quarter ended 30th June, 2019, corresponding quarter ended 30th September, 2018 and for the period April 01, 2018 to September 30, 2018 which were reviewed by the predecessor joint auditors in which they had expressed an unmodified conclusion vide their reports dated 9th August, 2019 and 3rd November, 2018 respectively.

The Statement also includes figures for the year ended 31st March 2019 which were audited by predecessor joint auditors of the Company where they had expressed an unmodified Opinion on standalone financial statements vide their report dated 28th May, 2019.

For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048

Hemant J. Bhatt
Partner
Membership No.036834
UDIN: 19036834AAAACS9448



For V.Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W

G Sankar
Partner
Membership No.46050
UDIN: 19046050AAAAEF2893



Place: Mumbai
Date : November 06, 2019.

THE SHIPPING CORPORATION OF INDIA LTD.
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ in lakhs)

Sr No.	Particulars	STANDALONE					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2019 (UNAUDITED)	30.06.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	30.09.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	Revenue from operations	99,831	93,299	93,981	1,93,130	1,83,205	3,92,586
2	Other income	6,597	2,224	11,230	8,821	13,315	21,823
3	Total Income (1+2)	1,06,428	95,523	1,05,211	2,01,951	1,96,520	4,14,409
4	Expenses						
	Cost of services rendered	64,929	61,503	65,367	1,26,432	1,24,453	2,57,197
	Employee benefits expense	11,394	11,583	10,204	22,977	21,272	45,244
	Finance costs	13,257	4,203	9,415	17,460	18,764	35,905
	Depreciation and amortisation expense	16,789	16,946	16,319	33,735	31,834	65,846
	Other expenses	4,113	3,524	16,159	7,637	31,448	17,702
	Total expenses (4)	1,10,482	97,759	1,17,464	2,08,241	2,27,771	4,21,894
5	Profit before exceptional items (3-4)	(4,054)	(2,236)	(12,253)	(6,290)	(31,251)	(7,485)
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	(4,054)	(2,236)	(12,253)	(6,290)	(31,251)	(7,485)
8	Tax expense						
	Current tax	1,600	1,700	2,000	3,300	3,600	7,090
	Deferred tax	-	-	-	-	-	(1,242)
	MAT Credit Entitlement	-	-	-	-	-	(1,134)
	Total tax expense (8)	1,600	1,700	2,000	3,300	3,600	4,714
9	Profit for the period (7-8)	(5,654)	(3,936)	(14,253)	(9,590)	(34,851)	(12,199)
10	Other comprehensive income						
	<i>Items that will not be reclassified to profit or loss:</i>						
	Remeasurements gain/(loss) of defined benefit plans	141	141	44	282	88	564
	Other comprehensive income for the period, net of tax (10)	141	141	44	282	88	564
11	Total comprehensive income for the period (9+10)	(5,513)	(3,795)	(14,209)	(9,308)	(34,763)	(11,635)
12	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580	46,580	46,580	46,580	46,580
13	Reserve excluding Revaluation Reserves	-	-	-	-	-	6,51,541
14	Earnings per equity share						
	(1) Basic earnings per share (in ₹)	(1.21)	(0.84)	(3.06)	(2.06)	(7.48)	(2.62)
	(2) Diluted earnings per share (in ₹)	(1.21)	(0.84)	(3.06)	(2.06)	(7.48)	(2.62)



Segment-Wise Revenue, Results, Assets and Liabilities

(₹ in lakhs)

Sr No.	PARTICULARS	STANDALONE					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2019 (UNAUDITED)	30.06.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	30.09.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	Segment Revenue						
	i. Liner	17,790	17,050	14,080	34,840	28,975	63,263
	ii. Bulk Carrier	14,365	12,750	16,935	27,115	29,190	58,603
	iii. Tanker	61,240	57,125	57,424	1,18,365	1,13,127	2,46,195
	iv. Technical & Offshore	6,147	6,051	5,322	12,198	11,093	22,832
	v. Others	289	322	220	611	820	1,693
	Total	99,831	93,298	93,981	1,93,129	1,83,205	3,92,586
	Unallocated Revenue	4,563	79	9,319	4,642	9,531	12,778
	Total	1,04,394	93,377	1,03,300	1,97,771	1,92,736	4,05,364
2	Segment Results						
	Profit/(Loss) before Tax and Interest						
	i. Liner	(4,695)	(2,663)	(1,933)	(7,358)	(3,611)	(8,960)
	ii. Bulk Carrier	2,182	(2,010)	2,775	172	2,981	3,277
	iii. Tanker	6,065	4,378	603	10,443	768	19,301
	iv. Technical & Offshore	1,141	618	(1,989)	1,759	(2,417)	(906)
	v. Others	(265)	(118)	(298)	(383)	(85)	(171)
	Total	4,428	205	(842)	4,633	(2,364)	12,541
	Add: Unallocated income (Net of expenditure)	2,741	(384)	(3,907)	2,357	(13,907)	6,834
	Profit before Interest and Tax	7,169	(179)	(4,749)	6,990	(16,271)	19,375
	Less: Interest Expenses						
	i. Liner	16	12	55	28	117	125
	ii. Bulk Carrier	985	1,138	1,232	2,123	2,425	4,788
	iii. Tanker	1,970	1,317	2,101	3,287	4,143	7,935
	iv. Technical & Offshore	655	409	661	1,064	1,336	2,546
	v. Others	-	-	-	-	-	-
	Total Segment Interest Expense	3,626	2,876	4,049	6,502	8,021	15,394
	Unallocated Interest expense	9,631	1,327	5,366	10,958	10,743	20,511
	Total Interest Expense	13,257	4,203	9,415	17,460	18,764	35,905
	Add: Interest Income	2,034	2,146	1,911	4,180	3,784	9,045
	Profit/(Loss) before Tax	(4,054)	(2,236)	(12,253)	(6,290)	(31,251)	(7,485)
3	Segment Assets						
	i. Liner	68,662	75,845	73,714	68,662	73,714	71,338
	ii. Bulk Carrier	1,72,373	1,73,235	1,91,056	1,72,373	1,91,056	1,76,076
	iii. Tanker	6,02,805	6,03,713	6,38,592	6,02,805	6,38,592	6,29,378
	iv. Technical & Offshore	1,22,676	1,26,068	1,41,486	1,22,676	1,41,486	1,28,537
	v. Others	819	838	770	819	770	707
	Total Segment Assets	9,67,335	9,79,699	10,45,618	9,67,335	10,45,618	10,06,036
	Unallocable Assets	4,22,755	4,17,277	4,21,474	4,22,755	4,21,474	4,09,389
	Total Assets	13,90,090	13,96,976	14,67,092	13,90,090	14,67,092	14,15,425
4	Segment Liabilities						
	i. Liner	1,13,308	1,14,906	1,16,006	1,13,308	1,16,006	1,07,841
	ii. Bulk Carrier	97,310	1,02,097	1,34,591	97,310	1,34,591	1,09,984
	iii. Tanker	1,89,922	1,92,329	2,45,079	1,89,922	2,45,079	2,10,632
	iv. Technical & Offshore	69,919	71,257	77,034	69,919	77,034	72,272
	v. Others	1,021	676	756	1,021	756	485
	Total Segment Liabilities	4,71,480	4,81,265	5,73,466	4,71,480	5,73,466	5,01,214
	Unallocable Liabilities	2,29,796	2,21,382	2,17,397	2,29,796	2,17,397	2,16,090
	Total Liabilities	7,01,276	7,02,647	7,90,863	7,01,276	7,90,863	7,17,304

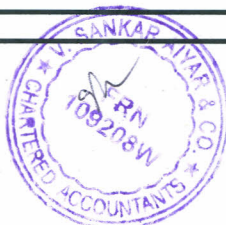


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THE SHIPPING CORPORATION OF INDIA LTD.
STATEMENT OF STANDALONE UNAUDITED ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

(₹ in lakhs)

	As at 30 Sep 2019 (Unaudited)	As at 31 March 2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	10,87,625	11,11,656
Capital work-in-progress	31	763
Right-of-use asset	2,076	-
Other intangible assets	201	253
Financial assets		
i. Investments	7,714	7,714
ii. Loans	1,569	2,036
iii. Other financial assets	7	7
Income Tax assets (net)	12,872	12,054
Other non-current assets	8,137	8,180
Total non-current assets	11,20,232	11,42,663
Current assets		
Inventories	11,069	15,979
Financial assets		
i. Investments	-	-
ii. Trade receivables	53,460	59,892
iii. Cash and cash equivalents	15,115	9,538
iv. Bank balances other than (iii) above	92,553	90,278
v. Loans	23,530	22,381
vi. Other financial assets	44,438	47,676
Current Tax Assets Net	3,508	3,508
Other current assets	26,178	23,503
Assets classified as held for sale	7	7
Total current assets	2,69,858	2,72,762
Total assets	13,90,090	14,15,425
EQUITY AND LIABILITIES		
Equity		
Equity share capital	46,580	46,580
Other Equity	6,42,234	6,51,541
Total equity	6,88,814	6,98,121
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	2,01,447	2,52,666
ii. Lease Liabilities	2,020	-
iii. Other financial liabilities	76	41
Provisions	9,499	9,773
Deferred tax liabilities (net)	9,153	9,153
Total non-current liabilities	2,22,195	2,71,633
Current liabilities		
Financial liabilities		
i. Borrowings	1,94,737	1,58,748
ii. Lease Liabilities	101	-
iii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises; and	1,699	545
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,32,901	1,27,075
iv. Other financial liabilities	1,15,481	1,28,521
Other current liabilities	12,371	9,387
Provisions	839	891
Liabilities directly associated with assets classified as held for sale	20,952	20,504
Total current liabilities	4,79,081	4,45,671
Total liabilities	7,01,276	7,17,304
Total equity and liabilities	13,90,090	14,15,425



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THE SHIPPING CORPORATION OF INDIA LTD.
STATEMENT OF STANDALONE UNAUDITED CASH FLOW STATEMENT FOR HALF YEAR ENDED SEPTEMBER 30, 2019

	(Rs. In Lakhs)	
Particulars	Half Year ended 30 September 2019 (Unaudited)	Year ended 31 March 2019 (Audited)
A Cash Flow from operating activities		
Profit/(Loss) before income tax	(6,290)	(7,485)
Adjustments for		
Add:		
Depreciation and amortisation expenses	33,735	65,846
Finance costs	17,460	24,586
Bad debts and irrecoverable balances written off	1,905	986
Provision for doubtful debts	543	3,195
Write off of Fixed Assets	-	191
Provision of Asset held for sale	-	95
Foreign Currency Fluctuations	970	-
Less:		
Dividend received	(157)	(287)
Interest received	(4,179)	(9,045)
Excess Provisions written back	(1,878)	(1,778)
Surplus on sale of fixed assets	(4,383)	(11,395)
Change in non-current investment due to fair valuation	-	(232)
Change in operating assets and liabilities		
(Increase)/Decrease in Current / Non Current Assets	4,475	(16,217)
(Increase)/Decrease in inventories	4,911	(4,326)
(Increase)/Decrease in Current / Non Current Liabilities	10,500	22,737
Cash generated from operations	57,612	66,871
Income taxes paid	(4,118)	(6,639)
Net cash inflow from operating activities	(A) 53,494	60,232
B Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(8,096)	(47,613)
Sale proceeds of property, plant and equipment	7,494	16,050
Dividend received	157	287
Proceeds from sale of investments	-	5,605
Recovery of Loans given to employees and Joint venture	(244)	1001
Other Deposits with banks	(2,534)	(3,102)
Advances and other Deposits	(682)	(672)
Interest received	5,389	8,490
Net cash inflow / (outflow) from investing activities	(B) 1,484	(19,953)
C Cash flow from financing activities		
Long term loans repaid	(70,828)	(88,188)
Long term loans borrowed	-	26,089
Short term loans borrowed/(repaid)	32,969	31,307
*Dividend on shares paid of earlier years and transfer to IEPF	-	(20)
Interest paid	(11,544)	(22,640)
Payment of Lease liability	(75)	-
Other financing costs	(577)	(1,243)
Net cash outflow from financing activities	(C) (50,055)	(54,695)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 4,923	(14,417)
Add: Changes in Bank balances (unavailable for use) *	257	(223)
Add: Cash and cash equivalents at the beginning of the financial year	9,538	24,178
Exchange difference on translation of foreign currency cash and cash equivalents	397	-
Cash and cash equivalents at the end of the period**	15,115	9,538
** Comprises of		
Balances with banks in current accounts	11,206	5,995
Balances with banks in deposits account with original maturity of less than three months	3,909	3,543
Total	15,115	9,538

*The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividends bank accounts.

The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".



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Notes to standalone financial results:

1. The above standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 6th November 2019.
2. The statutory auditors of the company have jointly carried out a Limited Review of the results for the quarter & half year ended 30th September, 2019. The financial results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.
3. Segment Results:
 - a. Segment definitions: Liner segment includes break-bulk, container transport, passenger vessels & research vessels managed on behalf of other organisations. Bulk Carriers include dry bulk carriers. Tankers segment includes both crude and product carriers, gas carriers. Technical & Offshore services segment includes company owned offshore vessels, offshore vessels managed on behalf of other organisations and income from technical consultancy. Others segment include income earned from Maritime Training Institute. Unallocable items including interest expense to the extent unallocable and interest income are disclosed separately.
 - b. Expense and Revenue items are allocated vessel wise wherever possible. Expenses and revenue items that cannot be allocated vessel wise are allocated on the basis of age of the vessel i.e (Current year – Built year) +1.
 - c. Agent Advances are allocated to segments in the ratio of payable to the agents.
4. The Company is in process of analysing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis gratuity liability has been adequately provided in books of accounts.
5. Trade Payables, Trade Receivables including reimbursables and Deposits are subject to confirmation and reconciliation. The Company is in the process of reconciling the same. The management, however, does not expect any material changes on reconciliation.
6. Effective April 1, 2019, the Company has adopted Ind AS 116, Leases and applied the standard to its Leases using the modified retrospective approach. Accordingly, the Company has not restated comparative information. This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability.
The Company has therefore recognised a lease liability of Rs. 2196 lakhs and a corresponding ROU asset as at 1st April 2019. The net impact of this adoption is not material on the results for the period and earning per share.
7. The Company holds 49% in Irano Hind Shipping Company, P.J.S. (IHSC) a joint venture company. As per directives received from the Government of India, it has been agreed to dissolve the Company. Therefore, investment in IHSC is classified as held for sale and not considered for consolidation.



8. During the half year ended 30th September, 2019, the Company sold one Tanker vessel M.T. Ankleshwar DWT 1,47,474.
9. The foreign exchange (gain)/loss for the respective period is recognised as under:

(Amt In Rs. Lakhs)

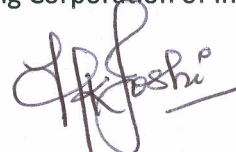
Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2019 (UNAUDITED)	30.06.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	30.09.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	31.03.2019 (AUDITED)
(A) Finance Cost *	7,684	(1,723)	3,235	5,961	6,722	11,319
(B) Other Expenses**	1,963	423	15,251	2,386	27,091	6,403
Total [(A) +(B)] - Total Forex (Gain)/Loss [Net]	9,647	(1,300)	18,486	8,347	33,813	17,722

* As per para 6(e) and in the manner of arriving at the adjustment given in para 6(A) of Ind AS 23, the exchange difference arising from foreign currency borrowings is adjusted to the Finance Cost.

**The remaining foreign exchange (gain)/loss after above adjustment is included in "Other Expenses".

10. In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentive including lapse of the accumulated MAT credit. The Company is evaluating this option and continues to recognise the taxes on income for the quarter and half year ended 30th September 2019 as per the earlier provisions.
11. C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of Rs 11.03 crores for the FY 2014-15. Audit observed that the company did not follow the DPE guidelines for determining the PBT for the FY 2014-15, as well as for computing the incremental profit for arriving at the amount distributable as PRP. On the above matter, C&AG further observed that DPE Guidelines (November 2008) require the CPSEs to follow a 'Bell Curve' approach in grading the officers so that not more than 10 to 15 per cent are graded outstanding and 10 per cent are to be graded below par. As per DPE clarification (6th July 2011), the bottom 10 per cent of employees are not to be paid any PRP. SCI has categorized below par employees as 'Opportunity for development (OFD)' and 'Do not meet expectation (DNME)'. The OFD category employees were paid PRP amounting to Rs 38.46 lakhs at a Performance factor of 0.4. The company has submitted its response on the payment of PRP for FY 2014-15. Appropriate action shall be taken based on further developments in the matter.
12. The figures of the previous year/ period have been regrouped or rearranged wherever necessary / practicable to conform to current year / period's transactions.

For The Shipping Corporation of India Ltd.



Mrs. H.K. Joshi
Chairman & Managing Director
DIN - 07085755



Place: Mumbai
Date: 6th November 2019

Independent Auditor's Review Report on quarterly and year to date Unaudited Consolidated Financial Results of The Shipping Corporation of India Ltd. pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors

The Shipping Corporation of India Ltd.

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of The Shipping Corporation of India Ltd. ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of net profit after tax/(loss) and total comprehensive income/(loss) of its joint ventures for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019 ("the Statement"), being submitted by the parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018 and the corresponding period from April 01, 2018 to September 30, 2018 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to limited review or audit.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

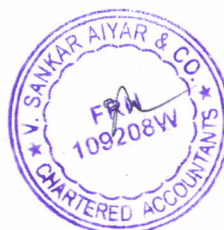
4. The Statement includes the results of the following entities:

(A) Subsidiary Company:-

Inland and Coastal Shipping Limited

(B) Joint Venture Companies:-

- i. India LNG Transport Co.No.1 Ltd (ILT 1)
- ii. India LNG Transport Co.No.2 Ltd (ILT 2)
- iii. India LNG Transport Co.No.3 Ltd (ILT 3)
- iv. India LNG Transport Co.No.4 Pvt.Ltd (ILT 4)



5. Basis for Qualified Conclusion:

SEBI Circular CIR/CFD/CMD1/44/2019 dated March 29, 2019 read with regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that material components that are being consolidated with the Parent Company are required to be subjected to audit/limited review by the auditors of the respective components, as the case may be. In respect of 3(Three) joint venture companies viz., ILT 1, ILT 2 and ILT 3, which are material components of the Parent Company viz., The Shipping Corporation of India Ltd., have not been subjected to audit/limited review by their auditors. The unaudited consolidated financial results includes the Group's share of net profit/(loss) after tax of Rs. 1,019.82 Lakhs and Rs. 2,116.97 Lakhs and total comprehensive income /(loss) of Rs. (735.38) Lakhs and Rs. 908.29 Lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively in respect of the aforesaid three joint ventures. The financial information's of aforesaid joint ventures have been furnished to us by the management and our conclusion on the consolidated financial results, in so far as it relates to the 3(Three) joint venture companies is based solely on such unaudited/un-reviewed financial results which we have relied upon.

6. Qualified Conclusion:

Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below and subject to the matter described in the Basis for Qualified Conclusion stated in **paragraph 5 above**, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed or that it contains any material misstatement.

7. Emphasis of Matter:

We draw attention to the following:

i. We draw attention to Note No. 15 of the Statement, C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of Rs. 11.03 crores for the FY 2014-15. Audit observed that the Company did not follow the DPE guidelines for determining the PBT for the FY 2014-15. The Company has submitted its response and the matter is under the consideration of C&AG and the final outcome is awaited.

ii. We draw attention to Note No. 7 of the Statement, the Company is in process of analysing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis gratuity liability has been adequately provided for in books of account.

iii. Trade Receivables including reimbursable, Trade Payables and Deposits are subject to the balance confirmations, subsequent reconciliation and consequential adjustments, if any, as on September 30, 2019.

Our Opinion is not modified in respect of these matters.

8. We did not review the interim financial results of the 1(one) subsidiary included in unaudited consolidated financial results, whose interim financial results reflects, total assets of Rs. 5.34



lakhs as at September 30, 2019 and total revenues of Rs.0.08 Lakhs and Rs.0.15 Lakhs, total net profit/(loss) after tax of Rs.0.03 lakhs and Rs. (0.04) lakhs and total comprehensive income of Rs.0.03 lakhs and Rs.(0.04) lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, and cash flows (net) of Rs. (0.003) lakhs for the period from April 01, 2019 to September 30, 2019, as considered in the unaudited consolidated financial results.

The unaudited consolidated financial results also include the Group's share of net profit / (loss) after tax of Rs. 543.06 lakhs and Rs. 491.87 lakhs and total comprehensive income / (loss) of Rs. 136.59 lakhs & Rs. (843.78) lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, as considered in the unaudited consolidated financial results, in respect of 1(one) joint venture viz., ILT 4 whose interim financial information have not been reviewed by us. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and the joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

In respect of a joint venture which is located outside India viz. ILT 4 whose financial statements have been prepared in accordance with accounting principles generally accepted in that country ("local GAAP") and which have been reviewed by the other auditor under generally accepted auditing standards applicable in that country, the Parent's management has converted the interim financial statement of such joint venture from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our report in so far as it relates to the balances and affairs of such joint venture located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our report on the Statement is not modified in respect of the above matter.

9. The Statement includes comparative figures for the quarter ended 30th June 2019, which were reviewed by the predecessor joint auditors, in which they had expressed a Qualified Conclusion vide their report dated 9th August 2019.

The Statement also includes figures for the year ended 31st March 2019 which were audited by predecessor joint auditors of the Company where they had expressed an unmodified Opinion on consolidated financial statements vide their report dated 28th May, 2019.

For Haribhakti & Co. LLP,
Chartered Accountants
ICAI FRN: 103523W/W100048



Hemant J. Bhatt
Partner
Membership No. 036834
UDIN: 19036834AAAACT8995



Place: Mumbai
Date : November 06, 2019.

For V.Sankar Aiyar & Co.,
Chartered Accountants
ICAI FRN: 109208W



G Sankar
Partner
Membership No. 46050
UDIN: 19046050AAAAEG6877



THE SHIPPING CORPORATION OF INDIA LTD.
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30,2019

(₹ in lakhs)

Sr No.	Particulars	CONSOLIDATED					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2019 (UNAUDITED)	30.06.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	30.09.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	Revenue from operations	99,831	93,299	93,981	1,93,130	1,83,205	3,92,586
2	Other income	6,597	2,224	11,230	8,821	13,315	21,824
3	Total Income (1+2)	1,06,428	95,523	1,05,211	2,01,951	1,96,520	4,14,410
4	Expenses						
	Cost of services rendered	64,929	61,503	65,367	1,26,432	1,24,453	2,57,197
	Employee benefits expense	11,394	11,583	10,204	22,977	21,272	45,244
	Finance costs	13,257	4,203	9,415	17,460	18,764	35,905
	Depreciation and amortisation expense	16,789	16,946	16,319	33,735	31,834	65,846
	Other expenses	4,113	3,524	16,159	7,637	31,448	17,702
	Total expenses (4)	1,10,482	97,759	1,17,464	2,08,241	2,27,771	4,21,894
5	Profit before exceptional items, share of net profits of investments accounted for using equity method and tax (3-4)	(4,054)	(2,236)	(12,253)	(6,290)	(31,251)	(7,484)
6	Share of net profit of associates and joint ventures accounted for using equity method	1,563	1,046	1,802	2,609	3,361	5,932
7	Profit before exceptional items and tax (5+6)	(2,491)	(1,190)	(10,451)	(3,681)	(27,890)	(1,552)
8	Exceptional items	-	-	-	-	-	-
9	Profit before tax (7-8)	(2,491)	(1,190)	(10,451)	(3,681)	(27,890)	(1,552)
10	Tax expense						
	Current tax	1,600	1,700	2,000	3,300	3,600	7,090
	Deferred tax	-	-	-	-	-	(1,242)
	MAT Credit Entitlement	-	-	-	-	-	(1,134)
	Total tax expense (10)	1,600	1,700	2,000	3,300	3,600	4,714
11	Profit for the period (9-10)	(4,091)	(2,890)	(12,451)	(6,981)	(31,490)	(6,266)
12	Other comprehensive income						
	<i>Items that will not be reclassified to profit or loss:</i>						
	Remeasurements gain/(loss) of defined benefit plans	141	141	44	282	88	564
	Share of OCI of associates and joint ventures, net of tax	(2,162)	(383)	2,597	(2,545)	4,597	499
	Other comprehensive income for the period, net of tax (12)	(2,021)	(242)	2,641	(2,263)	4,685	1,063
13	Total comprehensive income for the period (11+12)	(6,112)	(3,132)	(9,810)	(9,244)	(26,805)	(5,203)
14	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580	46,580	46,580	46,580	46,580
15	Reserve excluding Revaluation Reserves	-	-	-	-	-	6,71,742
16	Earnings per equity share						
	(1) Basic earnings per share (in ₹)	(0.88)	(0.62)	(2.67)	(1.50)	(6.76)	(1.35)
	(2) Diluted earnings per share (in ₹)	(0.88)	(0.62)	(2.67)	(1.50)	(6.76)	(1.35)



Segment-Wise Revenue, Results, Assets and Liabilities

(₹ in lakhs)

Sr No.	PARTICULARS	CONSOLIDATED					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2019 (UNAUDITED)	30.06.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	30.09.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	Segment Revenue						
	i. Liner	17,790	17,050	14,080	34,840	28,975	63,263
	ii. Bulk Carrier	14,365	12,750	16,935	27,115	29,190	58,603
	iii. Tanker	61,240	57,125	57,424	1,18,365	1,13,127	2,46,195
	iv. Technical & Offshore	6,147	6,051	5,322	12,198	11,093	22,832
	v. Others	289	322	220	611	820	1,693
	Total	99,831	93,298	93,981	1,93,129	1,83,205	3,92,586
	Unallocated Revenue	4,563	79	9,319	4,642	9,531	12,778
	Total	1,04,394	93,377	1,03,300	1,97,771	1,92,736	4,05,364
2	Segment Results						
	Profit/(Loss) before Tax and Interest						
	i. Liner	(4,695)	(2,663)	(1,933)	(7,358)	(3,611)	(8,960)
	ii. Bulk Carrier	2,182	(2,010)	2,775	172	2,981	3,277
	iii. Tanker	6,065	4,378	603	10,443	768	19,301
	iv. Technical & Offshore	1,141	618	(1,989)	1,759	(2,417)	(906)
	v. Others	(265)	(118)	(298)	(383)	(85)	(171)
	Total	4,428	205	(842)	4,633	(2,364)	12,541
	Add: Unallocated income (Net of expenditure)	4,304	662	(2,105)	4,966	(10,546)	12,767
	Profit before Interest and Tax	8,732	867	(2,947)	9,599	(12,910)	25,308
	Less: Interest Expenses						
	i. Liner	16	12	55	28	117	125
	ii. Bulk Carrier	985	1,138	1,232	2,123	2,425	4,788
	iii. Tanker	1,970	1,317	2,101	3,287	4,143	7,935
	iv. Technical & Offshore	655	409	661	1,064	1,336	2,546
	v. Others	-	-	-	-	-	-
	Total Segment Interest Expense	3,626	2,876	4,049	6,502	8,021	15,394
	Unallocated Interest expense	9,631	1,327	5,366	10,958	10,743	20,511
	Total Interest Expense	13,257	4,203	9,415	17,460	18,764	35,905
	Add: Interest Income	2,034	2,146	1,911	4,180	3,784	9,045
	Profit/(Loss) before Tax	(2,491)	(1,190)	(10,451)	(3,681)	(27,890)	(1,552)
3	Segment Assets						
	i. Liner	68,662	75,845	73,714	68,662	73,714	71,338
	ii. Bulk Carrier	1,72,373	1,73,235	1,91,056	1,72,373	1,91,056	1,76,076
	iii. Tanker	6,02,805	6,03,713	6,38,592	6,02,805	6,38,592	6,29,378
	iv. Technical & Offshore	1,22,676	1,26,068	1,41,486	1,22,676	1,41,486	1,28,537
	v. Others	819	838	770	819	770	707
	Total Segment Assets	9,67,335	9,79,699	10,45,618	9,67,335	10,45,618	10,06,036
	Unallocable Assets	4,43,021	4,38,142	4,43,202	4,43,021	4,43,202	4,29,589
	Total Assets	14,10,356	14,17,841	14,88,820	14,10,356	14,88,820	14,35,625
4	Segment Liabilities						
	i. Liner	1,13,308	1,14,906	1,16,006	1,13,308	1,16,006	1,07,841
	ii. Bulk Carrier	97,310	1,02,097	1,34,591	97,310	1,34,591	1,09,984
	iii. Tanker	1,89,922	1,92,329	2,45,079	1,89,922	2,45,079	2,10,632
	iv. Technical & Offshore	69,919	71,257	77,034	69,919	77,034	72,272
	v. Others	1,021	676	756	1,021	756	485
	Total Segment Liabilities	4,71,480	4,81,265	5,73,466	4,71,480	5,73,466	5,01,214
	Unallocable Liabilities	2,29,796	2,21,382	2,17,397	2,29,796	2,17,397	2,16,089
	Total Liabilities	7,01,276	7,02,647	7,90,863	7,01,276	7,90,863	7,17,303



THE SHIPPING CORPORATION OF INDIA LTD.
STATEMENT OF CONSOLIDATED UNAUDITED ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

(₹ in lakhs)

	As at 30 Sep 2019 (Unaudited)	As at 31 March 2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	10,87,625	11,11,656
Capital work-in-progress	31	763
Right-of-use asset	2,076	-
Other intangible assets	201	253
Investments accounted for using the equity method	27,635	27,571
Financial assets		
i. Investments	350	350
ii. Loans	1,569	2,036
iii. Other financial assets	7	7
Income Tax assets (net)	12,872	12,054
Other non-current assets	8,137	8,180
Total non-current assets	11,40,503	11,62,870
Current assets		
Inventories	11,069	15,979
Financial assets		
i. Investments	-	-
ii. Trade receivables	53,460	59,892
iii. Cash and cash equivalents	15,115	9,538
iv. Bank balances other than (iii) above	92,558	90,282
v. Loans	23,530	22,381
vi. Other financial assets	44,428	47,666
Current Tax Assets Net	3,508	3,508
Other current assets	26,178	23,502
Assets classified as held for sale	7	7
Total current assets	2,69,853	2,72,755
Total assets	14,10,356	14,35,625
EQUITY AND LIABILITIES		
Equity		
Equity share capital	46,580	46,580
Other Equity	6,62,500	6,71,742
Total equity	7,09,080	7,18,322
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	2,01,447	2,52,666
ii. Lease Liabilities	2,020	-
iii. Other financial liabilities	76	41
Provisions	9,499	9,773
Deferred tax liabilities (net)	9,153	9,153
Total non-current liabilities	2,22,195	2,71,633
Current liabilities		
Financial liabilities		
i. Borrowings	1,94,737	1,58,748
ii. Lease Liabilities	101	-
iii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises; and	1,699	545
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,32,901	1,27,075
iv. Other financial liabilities	1,15,481	1,28,521
Other current liabilities	12,371	9,386
Provisions	839	891
Liabilities directly associated with assets classified as held for sale	20,952	20,504
Total current liabilities	4,79,081	4,45,670
Total liabilities	7,01,276	7,17,303
Total equity and liabilities	14,10,356	14,35,625

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THE SHIPPING CORPORATION OF INDIA LTD.
STATEMENT OF CONSOLIDATED UNAUDITED CASH FLOW STATEMENT FOR HALF YEAR ENDED SEPTEMBER 30,2019

(Rs. In Lakhs)

Particulars	Half Year ended 30 September 2019 (Unaudited)	Year ended 31 March 2019 (Audited)
A Cash Flow from operating activities		
Profit/(Loss) before income tax	(3,681)	(1,552)
Adjustments for		
Add:		
Depreciation and amortisation expenses	33,735	65,846
Finance costs	17,460	24,586
Bad debts and irrecoverable balances written off	1,905	986
Provision for doubtful debts	543	3,195
Write off of Fixed Assets	-	191
Provision of Asset held for sale	-	95
Foreign Currency Fluctuations	970	-
Less:		
Dividend received	(157)	(287)
Interest received	(4,179)	(9,046)
Share of profits of associates and joint ventures	(2,609)	(5,932)
Excess Provisions written back	(1,878)	(1,778)
Surplus on sale of fixed assets	(4,383)	(11,395)
Change in non-current investment due to fair valuation	-	(232)
Change in operating assets and liabilities		
(Increase)/Decrease in Current / Non Current Assets	4,475	(16,217)
(Increase)/Decrease in inventories	4,911	(4,326)
(Increase)/Decrease in Current / Non Current Liabilities	10,500	22,737
Cash generated from operations	57,612	66,871
Income taxes paid	(4,118)	(6,639)
Net cash inflow from operating activities	(A) 53,494	60,232
B Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(8,096)	(47,613)
Sale proceeds of property, plant and equipment	7,494	16,050
Dividend received	157	287
Proceeds from sale of investments	-	5,605
Recovery of Loans given to employees and Joint venture	(244)	1001
Other Deposits with banks	(2,534)	(3,102)
Advances and other Deposits	(682)	(672)
Interest received	5,389	8,490
Net cash inflow / (outflow) from investing activities	(B) 1,484	(19,953)
C Cash flow from financing activities		
Long term loans repaid	(70,828)	(88,188)
Long term loans borrowed	-	26,089
Short term loans borrowed/(repaid)	32,969	31,307
*Dividend on shares paid of earlier years and transfer to IEPF	-	(20)
Payment of Lease liability	(75)	-
Interest paid	(11,544)	(22,641)
Other financing costs	(577)	(1,243)
Net cash outflow from financing activities	(C) (50,055)	(54,696)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 4,923	(14,418)
Add: Changes in Bank balances (unavailable for use) *	257	(223)
Add: Cash and cash equivalents at the beginning of the financial year	9,538	24,179
Exchange difference on translation of foreign currency cash and cash equivalents	397	-
Cash and cash equivalents at the end of the period**	15,115	9,538
** Comprises of		
Balances with banks in current accounts	11,206	5,995
Balances with banks in deposits account with original maturity of less than three months	3,909	3,543
Total	15,115	9,538

*The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividends bank accounts.

The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".



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Notes to consolidated financial results:

1. The Consolidated financial results relates to The Shipping Corporation of India Ltd ("the Company"), its subsidiary and Joint Ventures Companies (together referred to as the "Group"). The Consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.
2. The following Joint ventures/Subsidiary have been considered for the purpose of Consolidation:

Subsidiary –

1) Inland & Coastal Shipping Ltd. (ICSL)

Joint Ventures -

- 1) India LNG Transport Company (No.1) Ltd. (ILT 1)
- 2) India LNG Transport Company (No.2) Ltd. (ILT 2)
- 3) India LNG Transport Company (No.3) Ltd. (ILT 3)
- 4) India LNG Transport Company (No.4) Pvt. Ltd. (ILT 4)

3. The financial results of 3 Joint Venture companies namely, ILT1, ILT 2 and ILT3 which are used for consolidation for the quarter ended 30th September, 2019 are neither audited nor limited review have been carried out. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view. In respect of the subsidiary ICSL and one Joint venture namely ILT4, their auditors have carried out the limited review for the year to date financial statements ending 30th September, 2019. The figures for the quarter ended 30th September, 2019 are the difference between the reviewed year to date figures as of 30th September 2019 and published year to date figures of 30th June, 2019.
4. The consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 6th November 2019. The corresponding figures for the quarter and half year ended 30th September, 2018 were approved by the Board of Directors, but have not been subject to review by the statutory auditors. The figures for the quarter ended 30th June 2019 are reviewed and figures for the year ended 31st March 2019 are audited by the statutory auditors of the Group.
5. The statutory auditors of the company have jointly carried out a Limited Review of the consolidated results for the quarter & half year ended 30th September, 2019.
6. Segment Results:
 - a. Segment definitions: Liner segment includes break-bulk, container transport, passenger vessels & research vessels managed on behalf of other organisations. Bulk Carriers include dry bulk carriers. Tankers segment includes both crude and product carriers, gas carriers. Technical & Offshore services segment includes group owned offshore vessels, offshore vessels managed on behalf of other organisations and income from technical consultancy. Others segment include income earned from Maritime Training Institute. Unallocable items including interest expense to the extent unallocable and interest income are disclosed separately.



- b. Expense and Revenue items are allocated vessel wise wherever possible. Expenses and revenue items that cannot be allocated vessel wise are allocated on the basis of age of the vessel i.e (Current year – Built year) +1.
- c. Agent Advances are allocated to segments in the ratio of payable to the agents.
7. The Company is in process of analysing the probable impact of gratuity payable to its regular fleet officers who have opted for Contract wages. On prudent basis gratuity liability has been adequately provided in books of accounts.
8. Trade Payables, Trade Receivables including reimbursable and Deposits are subject to confirmation and reconciliation. The Company is in the process of reconciling the same. The management, however, does not expect any material changes on reconciliation.
9. The auditors in their audit report of consolidated financial results for the quarter ended 30th September, 2019 have brought out that;

SEBI Circular CIR/CFD/CMD1/44/2019 dated March 29, 2019 read with regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that material components that are being consolidated with the Parent Company are required to be subjected to audit/limited review by the auditors of the respective components, as the case may be. In respect of 3(Three) joint venture companies viz., ILT 1, ILT 2 and ILT 3 which are material components of the Parent Company viz., The Shipping Corporation of India Ltd., have not been subjected to audit/limited review by their auditors. The unaudited consolidated financial results includes the Group's share of net profit/(loss) after tax of Rs. 1,019.82 Lakhs and Rs. 2,116.97 Lakhs and total comprehensive income /(loss) of Rs. (735.38) Lakhs and Rs. 908.29 Lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively in respect of the aforesaid three joint ventures. The financial information's of aforesaid joint ventures have been furnished to us by the management and our conclusion on the consolidated financial results, in so far as it relates to the 3(Three) joint venture companies is based solely on such unaudited/un-reviewed financial results which we have relied upon.

The management's view on the above observation is as below:

Limited Review of financial results of a Joint Venture company Viz. India LNG Transport Company (No.4) Pvt. Ltd. and a subsidiary viz. Inland & Coastal Shipping Ltd for the quarter and half year ended 30.09.2019 has been conducted by their auditors.

The Group is in the process of complying with SEBI regulations in respect of the 3(Three) overseas Joint Venture Companies i.e., India LNG Transport Company (No.1) Ltd., India LNG Transport Company (No.2) Ltd. and India LNG Transport Company (No.3) Ltd. whose accounts are subject to limited review/audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view and do not expect any material impact of this on the financial results.

10. Effective April 1, 2019, the Group has adopted Ind AS 116, Leases and applied the standard to its Leases using the modified retrospective approach. Accordingly, the Group has not restated comparative information.

This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Group discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Group has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous



periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability.

The Group has therefore recognised a lease liability of Rs. 2196 lakhs and a corresponding ROU asset as at 1st April 2019. The net impact of this adoption is not material on the results for the period and earning per share.

11. The Company holds 49% in Irano Hind Shipping Company, P.J.S. (IHSC) a joint venture company. As per directives received from the Government of India, it has been agreed to dissolve the Company. Therefore, investment in IHSC is classified as held for sale and not considered for consolidation.
12. During the half year ended 30th September, 2019, the Group sold one Tanker vessel M.T. Ankleshwar DWT 1,47,474.
13. The foreign exchange (gain)/loss of the Company for the respective period is recognised as under:
(Amt. In Rs. Lakhs)

Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2019 (UNAUDITED)	30.06.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	30.09.2019 (UNAUDITED)	30.09.2018 (UNAUDITED)	31.03.2019 (AUDITED)
(A) Finance Cost *	7,684	(1,723)	3,235	5,961	6,722	11,319
(B) Other Expenses**	1,963	423	15,251	2,386	27,091	6,403
Total [(A) +(B)] - Total Forex (Gain)/Loss [Net]	9,647	(1,300)	18,486	8,347	33,813	17,722

* As per para 6(e) and in the manner of arriving at the adjustment given in para 6(A) of Ind AS 23, the exchange difference arising from foreign currency borrowings is adjusted to the Finance Cost.

**The remaining foreign exchange (gain)/loss after above adjustment is included in "Other Expenses".

14. In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentive including lapse of the accumulated MAT credit. The Company is evaluating this option and continues to recognise the taxes on income for the quarter and half year ended 30th September 2019 as per the earlier provisions.
15. C&AG has raised an observation relating to payment of Performance Related Pay (PRP) of Rs 11.03 crores for the FY 2014-15. Audit observed that the company did not follow the DPE guidelines for determining the PBT for the FY 2014-15, as well as for computing the incremental profit for arriving at the amount distributable as PRP.
On the above matter, C&AG further observed that DPE Guidelines (November 2008) require the CPSEs to follow a 'Bell Curve' approach in grading the officers so that not more than 10 to 15 per cent are graded outstanding and 10 per cent are to be graded below par. As per DPE clarification (6th July 2011), the bottom 10 per cent of employees are not to be paid any PRP. SCI has categorized below par employees as 'Opportunity for development (OFD)' and 'Do not meet expectation (DNME)'. The OFD category employees were paid PRP amounting to Rs 38.46 lakhs at a Performance factor of 0.4.
The Company has submitted its response on the payment of PRP for FY 2014-15. Appropriate action shall be taken based on further developments in the matter.



16. The figures of the previous year/ period have been regrouped or rearranged wherever necessary / practicable to conform to current year / period's transactions.

For The Shipping Corporation of India Ltd.



Mrs. H.K. Joshi
Chairman & Managing Director
DIN - 07085755

Place: Mumbai
Date: 6th November 2019

