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Limited review report on Unaudited Quarterly Standalone Financial Results of THE SHIPPING CORPORATION OF INDIA LIMITED under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO,  
**THE BOARD OF DIRECTORS,**  
**THE SHIPPING CORPORATION OF INDIA LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of **THE SHIPPING CORPORATION OF INDIA LIMITED** ("the Company") for the quarter ended June 30, 2019 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on these financial statements 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended March 31, 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. **Emphasis of Matter:**  
We draw attention to the following:
  - i) We draw attention to Note No. 4 of the financial results, 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 final outcome is awaited.





**G.D. Apte & Co.**  
**Chartered Accountants**  
Office No-604, 6<sup>th</sup> Floor  
Windsor, Off CST Road  
Kalina, Santacruz,  
Mumbai- 400 021

**A. Bafna & Co.**  
**Chartered Accountants**  
UG-250, Dreams Mall,  
LBS Marg,  
Bhandup (West),  
Mumbai- 400 078

- 
- ii) We draw attention to Note No. 5 of the financial results, the Company is in process of analyzing 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 accounts.
- iii) Trade Receivables including reimbursable, Trade Payables and Deposits are subject to the balance confirmations, subsequent reconciliation and consequential adjustments, if any, as on June 30, 2019.

Our Opinion is not modified in respect of these matters.

**For G. D. Apte & Co**  
**Chartered Accountants**  
FRN: 100515W

**CA Chetan. R. Sapre**  
**Partner**  
ICAI Membership No : 116952  
UDIN : 19116952AAAADW8894

**Place : Mumbai**  
**Date : 9<sup>th</sup> August 2019**

**For A. Bafna & Co.**  
**Chartered Accountants**  
FRN: 003660C


**CA Mukesh Kumar Gupta**  
**Partner**  
ICAI Membership No : 073515  
UDIN : 19073515AAAAAK9879

**Place : Mumbai**  
**Date : 9<sup>th</sup> August 2019**



**THE SHIPPING CORPORATION OF INDIA LTD.**  
**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED**  
**JUNE 30, 2019**

(₹ in lakhs)

Sr No.	Particulars	STANDALONE			
		QUARTER ENDED			YEAR ENDED
		30.06.2019 (UNAUDITED)	31.03.2019 (AUDITED)	30.06.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	Revenue from operations	93,299	1,01,896	89,224	3,92,586
2	Other income	3,524	8,355	2,085	21,823
3	<b>Total Income (1+2)</b>	<b>96,823</b>	<b>1,10,251</b>	<b>91,309</b>	<b>4,14,409</b>
4	<b>Expenses</b>				
	Cost of services rendered	61,503	65,937	59,086	2,57,197
	Employee benefits expense	11,583	12,411	11,068	45,244
	Finance costs	5,926	6,200	5,862	24,586
	Depreciation and amortisation expense	16,946	17,013	15,515	65,846
	Other expenses	3,101	4,977	18,776	29,021
	<b>Total expenses (4)</b>	<b>99,059</b>	<b>1,06,538</b>	<b>1,10,307</b>	<b>4,21,894</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>(2,236)</b>	<b>3,713</b>	<b>(18,998)</b>	<b>(7,485)</b>
6	Exceptional items	-	-	-	-
7	<b>Profit/(Loss) before tax (5-6)</b>	<b>(2,236)</b>	<b>3,713</b>	<b>(18,998)</b>	<b>(7,485)</b>
8	<b>Tax expense</b>				
	Current tax	1,700	1,490	1,600	7,090
	Deferred tax	-	(1,242)	-	(1,242)
	MAT Credit Entitlement	-	(1,134)	-	(1,134)
	<b>Total tax expense (8)</b>	<b>1,700</b>	<b>(886)</b>	<b>1,600</b>	<b>4,714</b>
9	<b>Profit/(Loss) for the period (7-8)</b>	<b>(3,936)</b>	<b>4,599</b>	<b>(20,598)</b>	<b>(12,199)</b>
10	<b>Other comprehensive income</b>				
	<i>Items that will not be reclassified to profit or loss:</i>				
	Remeasurements gain/(loss) of defined benefit plans	141	431	44	564
	<b>Other comprehensive income for the period, net of tax (10)</b>	<b>141</b>	<b>431</b>	<b>44</b>	<b>564</b>
11	<b>Total comprehensive income for the period (9+10)</b>	<b>(3,795)</b>	<b>5,030</b>	<b>(20,554)</b>	<b>(11,635)</b>
12	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580	46,580	46,580
13	Reserve excluding Revaluation Reserves	-	-	-	6,51,541
14	<b>Earnings per equity share</b>				
	(1) Basic earnings per share (in ₹)	(0.84)	0.99	(4.42)	(2.62)
	(2) Diluted earnings per share (in ₹)	(0.84)	0.99	(4.42)	(2.62)



Segment-Wise Revenue, Results, Assets and Liabilities				(₹ in lakhs)	
Sr. No.	PARTICULARS	STANDALONE			
		QUARTER ENDED			YEAR ENDED
		30.06.2019 (UNAUDITED)	31.03.2019 (AUDITED)	30.06.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	<b>Segment Revenue</b>				
	i. Liner	17,050	17,633	14,896	63,263
	ii. Bulk Carrier	12,750	13,255	12,255	58,603
	iii. Tanker	57,233	64,595	55,703	2,46,195
	iv. Technical & Offshore	6,099	6,005	5,771	22,832
	v. Others	322	791	600	1,693
	Total	93,454	1,02,279	89,225	3,92,586
	Unallocated Revenue	1,221	5,321	213	12,777
	<b>Total</b>	<b>94,675</b>	<b>1,07,600</b>	<b>89,438</b>	<b>4,05,363</b>
2	<b>Segment Results</b>				
	Profit/(Loss) before Tax and Interest				
	i. Liner	(2,663)	(3,601)	(1,678)	(8,960)
	ii. Bulk Carrier	(2,010)	(2,152)	206	3,277
	iii. Tanker	4,486	9,807	(972)	18,225
	iv. Technical & Offshore	666	(2,317)	260	(1,270)
	v. Others	(118)	335	213	(171)
	Total	361	2,072	(1,971)	11,101
	Add: Unallocated income (Net of expenditure)	1,183	5,190	(13,037)	(3,045)
	Profit before Interest and Tax	1,544	7,262	(15,008)	8,056
	Less: Interest Expenses				
	i. Liner	12	-	62	125
	ii. Bulk Carrier	1,138	1,166	1,193	4,788
	iii. Tanker	1,425	1,591	1,736	6,859
	iv. Technical & Offshore	457	460	533	2,182
	v. Others	-	-	-	-
	Total Segment Interest Expense	3,032	3,217	3,524	13,954
	Unallocated Interest expense	2,894	2,983	2,338	10,632
	Total Interest Expense	5,926	6,200	5,862	24,586
	Add: Interest Income	2,146	2,651	1,872	9,045
	<b>Profit/(Loss) before Tax</b>	<b>(2,236)</b>	<b>3,713</b>	<b>(18,998)</b>	<b>(7,485)</b>
3	<b>Segment Assets</b>				
	i. Liner	82,582	77,679	62,278	77,679
	ii. Bulk Carrier	1,75,397	1,78,085	1,86,679	1,78,085
	iii. Tanker	6,18,972	6,45,555	6,43,168	6,45,555
	iv. Technical & Offshore	1,36,900	1,39,874	1,46,090	1,39,874
	v. Others	954	815	724	815
	Total Segment Assets	<b>10,14,805</b>	<b>10,42,008</b>	<b>10,38,939</b>	<b>10,42,008</b>
	Unallocable Assets	3,81,587	3,72,819	4,05,914	3,72,819
	Total Assets	<b>13,96,392</b>	<b>14,14,827</b>	<b>14,44,853</b>	<b>14,14,827</b>
4	<b>Segment Liabilities</b>				
	i. Liner	1,14,492	1,07,395	1,14,233	1,07,395
	ii. Bulk Carrier	1,01,220	1,09,133	1,30,397	1,09,133
	iii. Tanker	1,93,014	2,11,428	2,37,660	2,11,428
	iv. Technical & Offshore	71,596	72,597	67,993	72,597
	v. Others	676	485	265	485
	Total Segment Liabilities	<b>4,80,998</b>	<b>5,01,038</b>	<b>5,50,548</b>	<b>5,01,038</b>
	Unallocable Liabilities	2,21,065	2,15,668	2,05,103	2,15,668
	Total Liabilities	<b>7,02,063</b>	<b>7,16,706</b>	<b>7,55,651</b>	<b>7,16,706</b>





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 09.08.2019.
2. The statutory auditors of the company have jointly carried out a Limited Review of the results for the current quarter. 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. 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 lakh at a Performance factor of 0.4.

The company has submitted its response on the payment of PRP for FY 2014-15 and the final outcome is awaited. Appropriate action shall be taken based on further developments in the matter.
5. 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.
6. 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.
7. The Company holds 49% in Irano Hind Shipping Company, P.J.S. (IHSC) a joint venture company incorporated in Iran on which sanctions have been imposed by United Nations Organisation (UN). It has been agreed to dissolve the Company as per the directives received from the Government of India. Therefore, IHSC accounts has not been considered for consolidation and classified as held for



sale. Accounting will be done for the same after assessment of assets & liabilities and the settlement between shareholders parties.

8. 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. 1<sup>st</sup> April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1<sup>st</sup> 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 1<sup>st</sup> April 2019. The impact on the profit for the quarter is not material.

9. "Other Income" includes foreign exchange gain of Rs 1300 lakhs in Q1 2019-20 as compared to foreign exchange gain of Rs 2428 lakhs in Q4 2018-19, whereas foreign exchange loss of Rs 15327 lakhs in Q1 2018-19 and Rs 17722 lakhs for the previous year 2018-19 was included in "Other Expenses".
10. The figure for the quarter ended March 31, 2019 are balancing figures between audited figures in respect of full financial year and the unaudited published year to date figures up to December 31, 2018 being the date of the end of third quarter of the previous financial year, which were subject to limited review.
11. 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.



Capt. Anoop Kumar Sharma  
Chairman & Managing Director



Place: Mumbai

Date: 9<sup>th</sup> August 2019





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**Limited review report on Unaudited Quarterly Consolidated Financial Results of THE SHIPPING CORPORATION OF INDIA LIMITED under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**TO,**  
**THE BOARD OF DIRECTORS,**  
**THE SHIPPING CORPORATION OF INDIA LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **THE SHIPPING CORPORATION OF INDIA LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as ("the Group")), and its share of the net profit after tax and total comprehensive income of its joint ventures for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and March 31, 2019 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
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"), prescribed under Section 133 of the Companies Act, 2013, 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.1Ltd
- ii. India LNG Transport Co. No.2 Ltd
- iii. India LNG Transport Co. No.3 Ltd



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iv. India LNG Transport Co. No. 4 Ltd

5. We did not review the interim financial information of Inland & Coastal Shipping Limited (subsidiary) included in the consolidated unaudited financial results, whose interim financial information reflects total revenues of Rs. 7,134/- total net loss after tax of Rs.7,026/- and total comprehensive loss of Rs. 7,026/- for the quarter ended June 30, 2019 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 1,046 lakhs and total comprehensive income of Rs. 663 lakhs for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, in respect of four joint ventures, whose interim financial information have been furnished to us by the management.

**6. Basis for Qualified Conclusion:**

The company has not complied with the requirement of SEBI Circular CIR/CFD/CMD1/44/2019 dated March 29, 2019 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of audit or limited review of the respective material Components that are being consolidated with the Parent Company. Hence, these financial information's of Components are neither audited nor reviewed by us or any other auditor and have been furnished to us by the management and our conclusion on the consolidated financial results, in so far as it relates to the aforesaid subsidiary /joint ventures are based solely on such un-reviewed financial results which we have relied upon.

**7. Qualified Conclusion:**

Based on our review conducted as above, except for the effects of the matters described in the Basis for Qualified Conclusion stated in **paragraph 6 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 applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies, 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.

**8. Emphasis of Matter:**

We draw attention to the following:

- i. We draw attention to Note No. 7 of the financial results, 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 final outcome is awaited.
- ii. We draw attention to Note No. 8 of the financial results; the Company is in process of analyzing 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 accounts.





**G.D. Apte & Co.**  
**Chartered Accountants**  
Office No-604, 6<sup>th</sup> Floor  
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Kalina, Santacruz, Mumbai- 400 021

**A. Bafna & Co.**  
**Chartered Accountants**  
UG-250, Dreams Mall,  
LBS Marg, Bhandup (West),  
Mumbai- 400 078

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

Our Opinion is not modified in respect of these matters.

**For G. D. Apte & Co**  
**Chartered Accountants**  
FRN: 100515W

CA Chetan. R. Sapre  
Partner  
ICAI Membership No : 116952  
UDIN : 19116952AAAADX2815

Place : Mumbai  
Date : 9<sup>th</sup> August, 2019

**For A. Bafna & Co.**  
**Chartered Accountants**  
FRN: 003660C

CA Mukesh Kumar Gupta  
Partner  
ICAI Membership No : 073515  
UDIN : 19073515AAAAAL1222

Place : Mumbai  
Date : 9<sup>th</sup> August, 2019

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**THE SHIPPING CORPORATION OF INDIA LTD.**  
**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED**  
**JUNE 30, 2019**

(₹ in lakhs)

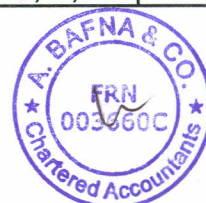
Sr No.	Particulars	CONSOLIDATED			
		QUARTER ENDED			YEAR ENDED
		30.06.2019 (UNAUDITED)	31.03.2019 (UNAUDITED)	30.06.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	Revenue from operations	93,299	1,01,896	89,224	3,92,586
2	Other income	3,524	8,355	2,085	21,824
3	<b>Total Income (1+2)</b>	<b>96,823</b>	<b>1,10,251</b>	<b>91,309</b>	<b>4,14,410</b>
4	<b>Expenses</b>				
	Cost of services rendered	61,503	65,937	59,086	2,57,197
	Employee benefits expense	11,583	12,411	11,068	45,244
	Finance costs	5,926	6,200	5,862	24,586
	Depreciation and amortisation expense	16,946	17,013	15,515	65,846
	Other expenses	3,101	4,977	18,776	29,021
	<b>Total expenses (4)</b>	<b>99,059</b>	<b>1,06,538</b>	<b>1,10,307</b>	<b>4,21,894</b>
5	<b>Profit before exceptional items, share of net profits of investments accounted for using equity method and tax (3-4)</b>	<b>(2,236)</b>	<b>3,713</b>	<b>(18,998)</b>	<b>(7,484)</b>
6	Share of net profit of associates and joint ventures accounted for using equity method	1,046	1,469	1,559	5,932
7	<b>Profit before exceptional items and tax (5+6)</b>	<b>(1,190)</b>	<b>5,182</b>	<b>(17,439)</b>	<b>(1,552)</b>
8	Exceptional items	-	-	-	-
9	<b>Profit/(Loss) before tax (7-8)</b>	<b>(1,190)</b>	<b>5,182</b>	<b>(17,439)</b>	<b>(1,552)</b>
10	Tax expense				
	Current tax	1,700	1,490	1,600	7,090
	Deferred tax	-	(1,242)	-	(1,242)
	MAT Credit Entitlement	-	(1,134)	-	(1,134)
	<b>Total tax expense (10)</b>	<b>1,700</b>	<b>(886)</b>	<b>1,600</b>	<b>4,714</b>
11	<b>Profit/(Loss) for the period (9-10)</b>	<b>(2,890)</b>	<b>6,068</b>	<b>(19,039)</b>	<b>(6,266)</b>
12	<b>Other comprehensive income</b>				
	<i>Items that will not be reclassified to profit or loss:</i>				
	Remeasurements gain/(loss) of defined benefit plans	141	431	44	564
	Share of OCI of associates and joint ventures, net of tax	(383)	(1,090)	2,000	499
	<b>Other comprehensive income for the period, net of tax (12)</b>	<b>(242)</b>	<b>(659)</b>	<b>2,044</b>	<b>1,063</b>
13	<b>Total comprehensive income for the period (11+12)</b>	<b>(3,132)</b>	<b>5,408</b>	<b>(16,995)</b>	<b>(5,203)</b>
14	Paid Up Equity Share Capital (Face value Rs.10 each)	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 ₹)	<b>(0.62)</b>	<b>1.30</b>	<b>(4.09)</b>	<b>(1.35)</b>
	(2) Diluted earnings per share (in ₹)	<b>(0.62)</b>	<b>1.30</b>	<b>(4.09)</b>	<b>(1.35)</b>





Segment-Wise Revenue, Results, Assets and Liabilities					(₹ in lakhs)
Sr No.	PARTICULARS	CONSOLIDATED			
		QUARTER ENDED			YEAR ENDED
		30.06.2019 (UNAUDITED)	31.03.2019 (UNAUDITED)	30.06.2018 (UNAUDITED)	31.03.2019 (AUDITED)
1	<b>Segment Revenue</b>				
	i. Liner	17,050	17,633	14,896	63,263
	ii. Bulk Carrier	12,750	13,255	12,255	58,603
	iii. Tanker	57,233	64,595	55,703	2,46,195
	iv. Technical & Offshore	6,099	6,005	5,771	22,832
	v. Others	322	791	600	1,693
	Total	93,454	1,02,279	89,225	3,92,586
	Unallocated Revenue	1,221	5,321	213	12,777
	<b>Total</b>	<b>94,675</b>	<b>1,07,600</b>	<b>89,438</b>	<b>4,05,363</b>
2	<b>Segment Results</b>				
	Profit/(Loss) before Tax and Interest				
	i. Liner	(2,663)	(3,601)	(1,678)	(8,960)
	ii. Bulk Carrier	(2,010)	(2,152)	206	3,277
	iii. Tanker	4,486	9,807	(972)	18,225
	iv. Technical & Offshore	666	(2,317)	260	(1,270)
	v. Others	(118)	335	213	(171)
	Total	361	2,072	(1,971)	11,101
	Add: Unallocated income (Net of expenditure)	2,229	6,659	(11,478)	2,888
	Profit before Interest and Tax	2,590	8,731	(13,449)	13,989
	Less: Interest Expenses				
	i. Liner	12	-	62	125
	ii. Bulk Carrier	1,138	1,166	1,193	4,788
	iii. Tanker	1,425	1,591	1,736	6,859
	iv. Technical & Offshore	457	460	533	2,182
	v. Others	-	-	-	-
	Total Segment Interest Expense	3,032	3,217	3,524	13,954
	Unallocated Interest expense	2,894	2,983	2,338	10,632
	Total Interest Expense	5,926	6,200	5,862	24,586
	Add: Interest Income	2,146	2,651	1,872	9,045
	<b>Profit/(Loss) before Tax</b>	<b>(1,190)</b>	<b>5,182</b>	<b>(17,439)</b>	<b>(1,552)</b>
3	<b>Segment Assets</b>				
	i. Liner	82,582	77,679	62,278	77,679
	ii. Bulk Carrier	1,75,397	1,78,085	1,86,679	1,78,085
	iii. Tanker	6,18,972	6,45,555	6,43,168	6,45,555
	iv. Technical & Offshore	1,36,900	1,39,874	1,46,090	1,39,874
	v. Others	954	815	724	815
	Total Segment Assets	<b>10,14,805</b>	<b>10,42,008</b>	<b>10,38,939</b>	<b>10,42,008</b>
	Unallocable Assets	4,02,452	3,93,019	4,23,243	3,93,019
	Total Assets	<b>14,17,257</b>	<b>14,35,027</b>	<b>14,62,182</b>	<b>14,35,027</b>
4	<b>Segment Liabilities</b>				
	i. Liner	1,14,492	1,07,395	1,14,233	1,07,395
	ii. Bulk Carrier	1,01,220	1,09,133	1,30,397	1,09,133
	iii. Tanker	1,93,014	2,11,428	2,37,660	2,11,428
	iv. Technical & Offshore	71,596	72,597	67,993	72,597
	v. Others	676	485	265	485
	Total Segment Liabilities	<b>4,80,998</b>	<b>5,01,038</b>	<b>5,50,548</b>	<b>5,01,038</b>
	Unallocable Liabilities	2,21,065	2,15,667	2,05,103	2,15,667
	Total Liabilities	<b>7,02,063</b>	<b>7,16,705</b>	<b>7,55,651</b>	<b>7,16,705</b>

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Notes to consolidated financial results:

1. The above consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 09.08.2019.
2. The statutory auditors have jointly carried out a Limited Review of the consolidated financial results for the current quarter i.e. quarter ended 30th June 2019.
3. The Group has prepared its quarterly consolidated financial results for the first time. Hence, the corresponding figures for the quarter ended 30.06.2018 and for the quarter ended 31.03.2019 are approved by the Board of Directors, but have not been subject to review by the statutory auditors. The figures for the year ended 31.03.2019 are audited by the statutory auditors of the Group.
4. The financial results of Joint Venture companies and a subsidiary which are used for consolidation for the quarter ended 30<sup>th</sup> June 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.
5. 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.
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. 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 lakh at a Performance factor of 0.4.





The company has submitted its response on the payment of PRP for FY 2014-15 and the final outcome is awaited. Appropriate action shall be taken based on further developments in the matter.

8. The Group 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.
9. 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.
10. The Company holds 49% in Irano Hind Shipping Company, P.J.S. (IHSC) a joint venture company incorporated in Iran on which sanctions have been imposed by United Nations Organisation (UN). It has been agreed to dissolve the Company as per the directives received from the Government of India. Therefore, IHSC accounts has not been considered for consolidation and classified as held for sale. Accounting will be done for the same after assessment of assets & liabilities and the settlement between shareholders parties.

11. The auditors in their audit report of consolidated financial results for the quarter ended 30th June 2019 have brought out that;

The company has not complied with the requirement of SEBI Circular CIR/CFD/CMD1/44/2019 dated March 29, 2019 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of audit or limited review of the respective material Components that are being consolidated with the Parent Company. Hence, these financial information's of Components are neither audited nor reviewed by us or any other auditor and have been furnished to us by the management and our conclusion on the consolidated financial results, in so far as it relates to the aforesaid subsidiary /joint ventures are based solely on such un-reviewed financial results which we have relied upon.

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

The Group is in process of complying with the SEBI regulations of getting the Joint Venture companies and a Subsidiary Company accounts subject to limited review/audit. However, the group does not expect any material impact of this on the financial results.

12. 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 impact on the profit for the quarter is not material.

13. "Other Income" includes foreign exchange gain of Rs 1300 lakhs in Q1 2019-20 as compared to foreign exchange gain of Rs 2428 lakhs in Q4 2018-19, whereas foreign exchange loss of Rs 15327 lakhs in Q1 2018-19 and Rs 17722 lakhs for the previous year 2018-19 was included in "Other Expenses".



14. 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.

  
Capt. Anoop Kumar Sharma  
Chairman & Managing Director



Place: Mumbai  
Date: 9<sup>th</sup> August 2019

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