

**THE SHIPPING CORPORATION OF INDIA LTD.**  
**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30,2015**

| PART I |  | Amount in ₹lakhs        |                       |                         |                       |
|--------|--|-------------------------|-----------------------|-------------------------|-----------------------|
|        |  | QUARTER ENDED           |                       |                         | YEAR ENDED            |
|        |  | 30.06.2015<br>Unaudited | 31.03.2015<br>Audited | 30.06.2014<br>Unaudited | 31.03.2015<br>Audited |
| 1 a)   | Income from Operations   | 1,04,574                | 1,02,832              | 1,05,774                | 4,15,373              |
| b)     | Other Operating Income   | 1,072                   | 1,296                 | 676                     | 3,428                 |
| c)     | Profit on Sale of Ships  | -                       | 3,503                 | 2,238                   | 12,055                |
|        | <b>Total Income from Operations</b>  | <b>1,05,646</b>         | <b>1,07,631</b>       | <b>1,08,688</b>         | <b>4,30,856</b>       |
| 2      | Expenses   |                         |                       |                         |                       |
| a)     | Employee Cost (shore & floating)   | 10,294                  | 12,390                | 9,490                   | 41,362                |
| b)     | Bunker   | 18,111                  | 20,145                | 38,567                  | 1,18,420              |
| c)     | Port dues  | 9,148                   | 9,190                 | 10,691                  | 36,064                |
| d)     | Cargo Handling Expenses  | 3,539                   | 4,166                 | 4,220                   | 16,418                |
| e)     | Repairs & Maintenance  | 5,888                   | 5,401                 | 6,307                   | 25,946                |
| f)     | Charter Hire   | 13,888                  | 11,653                | 7,625                   | 47,371                |
| g)     | Provisions   | 151                     | 927                   | 1,639                   | 5,811                 |
| h)     | Depreciation   | 14,002                  | 18,975                | 18,885                  | 77,017                |
| i)     | Other Expenses   | 12,043                  | 11,949                | 10,582                  | 43,629                |
|        | Total Expenses   | 87,064                  | 94,796                | 1,08,006                | 4,12,038              |
| 3      | <b>Profit from Operations before Other Income, finance costs &amp; Exceptional Items (1-2)</b> | <b>18,582</b>           | <b>12,835</b>         | <b>682</b>              | <b>18,818</b>         |
| 4 a)   | Interest Income  | 3,178                   | 3,288                 | 2,560                   | 14,589                |
| b)     | Other Income   | 209                     | 91                    | 8,785                   | 12,146                |
|        | Total  | 3,387                   | 3,379                 | 11,345                  | 26,735                |
| 5      | <b>Profit before finance cost and Exceptional Items(3+4)</b>                                   | <b>21,969</b>           | <b>16,214</b>         | <b>12,027</b>           | <b>45,553</b>         |
| 6      | Finance Costs  | 4,015                   | 3,545                 | 5,328                   | 17,940                |
| 7      | <b>Profit from ordinary activities after finance cost but before Exceptional Items (5-6)</b>   | <b>17,954</b>           | <b>12,669</b>         | <b>6,699</b>            | <b>27,613</b>         |
| 8      | Exceptional Items  | -                       | -                     | -                       | -                     |
| 9      | <b>Profit from Ordinary Activities before Tax (7-8)</b>  | <b>17,954</b>           | <b>12,669</b>         | <b>6,699</b>            | <b>27,613</b>         |
| 10     | Provision for Current Tax  | 1,600                   | 2,520                 | 1,750                   | 7,520                 |
| 11     | <b>Net Profit from Ordinary Activities after Tax (9-10)</b>                                    | <b>16,354</b>           | <b>10,149</b>         | <b>4,949</b>            | <b>20,093</b>         |
| 12     | Extra Ordinary Items   | -                       | -                     | -                       | -                     |
| 13     | <b>Net Profit (11-12)</b>  | <b>16,354</b>           | <b>10,149</b>         | <b>4,949</b>            | <b>20,093</b>         |
| 14     | Paid Up Equity Share Capital (Face value Rs.10 each)   | 46,580                  | 46,580                | 46,580                  | 46,580                |
| 15     | Reserves excluding Revaluation Reserves as per Balance Sheet                                   |                         |                       |                         | 6,06,780              |
| 16     | Earning per Share (in Rs.)   |                         |                       |                         |                       |
| a)     | Basic and diluted EPS before Extraordinary Items   | 3.51                    | 2.18                  | 1.06                    | 4.31                  |
| b)     | Basic and diluted EPS after Extraordinary Items  | 3.51                    | 2.18                  | 1.06                    | 4.31                  |

| PART II |  |              |              |              |              |
|---------|--|--------------|--------------|--------------|--------------|
| A       | PARTICULARS OF SHAREHOLDING  |              |              |              |              |
| 1       | Public Shareholding  |              |              |              |              |
|         | - No. of Shares  | 16,88,56,033 | 16,88,56,033 | 16,88,56,033 | 16,88,56,033 |
|         | - % of Shareholding  | 36.25        | 36.25        | 36.25        | 36.25        |
| 2       | Promoters and promoters group Shareholding                                     |              |              |              |              |
| a)      | Pledged / Encumbered   |              |              |              |              |
|         | - No. of Shares  | NIL          | NIL          | NIL          | NIL          |
|         | - % of Shares ( as a % of a total shareholding of promoter and promoter group) | NIL          | NIL          | NIL          | NIL          |
|         | - % of Shares ( as a % of a total share capital of the company)                | NIL          | NIL          | NIL          | NIL          |
| b)      | Non- Encumbered  |              |              |              |              |
|         | - No. of Shares  | 29,69,42,977 | 29,69,42,977 | 29,69,42,977 | 29,69,42,977 |
|         | - % of Shares ( as a % of a total shareholding of promoter and promoter group) | 100          | 100          | 100          | 100          |
|         | - % of Shares ( as a % of a total share capital of the company)                | 63.75        | 63.75        | 63.75        | 63.75        |

|   | Particulars   | 3 Months ended<br>30.06.2015 |
|---|---|------------------------------|
| B | <b>INVESTORS COMPLAINTS</b>                         |                              |
|   | Pending at the begining of the quarter              | -                            |
|   | Received during the quarter                         | -                            |
|   | Disposed of during the quarter                      | -                            |
|   | Remaining unresolved at the end of the quarter/year | -                            |

| Segment-wise Revenue, Results and Capital Employed |  |                         |                       | Amount in ₹lakhs        |                       |
|--|--|-------------------------|-----------------------|-------------------------|-----------------------|
| SR NO  | PARTICULARS                                  | QUARTER ENDED           |                       |                         | YEAR ENDED            |
|  |  | 30.06.2015<br>Unaudited | 31.03.2015<br>Audited | 30.06.2014<br>Unaudited | 31.03.2015<br>Audited |
| 1  | <b>Segment Revenue</b>                       |                         |                       |                         |                       |
|  | i. Liner Segment                             | 16,545                  | 19,785                | 25,796                  | 90,185                |
|  | ii. Bulk Segment                             | 80,591                  | 79,016                | 74,097                  | 3,04,651              |
|  | iii. Technical & Offshore Segment            | 8,350                   | 8,492                 | 8,554                   | 34,891                |
|  | iv. Others                                   | 160                     | 338                   | 241                     | 1,084                 |
|  | Total  | 1,05,646                | 1,07,631              | 1,08,688                | 4,30,811              |
|  | Unallocated Revenue                          | 209                     | 91                    | 8,785                   | 12,191                |
|  | Total  | 1,05,855                | 1,07,722              | 1,17,473                | 4,43,002              |
| 2  | <b>Segment Results</b>                       |                         |                       |                         |                       |
|  | Profit/(Loss) before Tax and Interest        |                         |                       |                         |                       |
|  | i. Liner Segment                             | (2,067)                 | 1,365                 | (88)                    | 1,571                 |
|  | ii. Bulk Segment                             | 17,796                  | 9,343                 | (1,742)                 | 4,599                 |
|  | iii. Technical & Offshore Segment            | 2,864                   | 2,496                 | 2,762                   | 11,310                |
|  | iv. Others                                   | 90                      | 267                   | 154                     | 720                   |
|  | Total  | 18,683                  | 13,471                | 1,086                   | 18,200                |
|  | Add: Unallocated income (Net of expenditure) | 108                     | (545)                 | 8,381                   | 12,764                |
|  | Profit/(Loss) before Interest and Tax        | 18,791                  | 12,926                | 9,467                   | 30,964                |
|  | Less: Interest Expenses                      | 4,015                   | 3,545                 | 5,328                   | 17,940                |
|  | Add: Interest Income                         | 3,178                   | 3,288                 | 2,560                   | 14,589                |
|  | Profit/(Loss) before Tax                     | 17,954                  | 12,669                | 6,699                   | 27,613                |
| 3  | <b>Capital Employed</b>                      |                         |                       |                         |                       |
|  | i. Liner Segment                             | 27,282                  | 25,310                | 52,555                  | 25,310                |
|  | ii. Bulk Segment                             | 10,29,642               | 9,83,297              | 10,50,551               | 9,83,297              |
|  | iii. Technical & Offshore Segment            | 1,32,022                | 1,31,237              | 1,24,278                | 1,31,237              |
|  | iv. Others                                   | (91)                    | (88)                  | 84                      | (88)                  |
|  | Total Capital Employed in Segments           | 11,88,855               | 11,39,756             | 12,27,468               | 11,39,756             |
|  | Unallocable Capital Employed                 | 22,416                  | 35,342                | 38,314                  | 35,342                |
|  | Total Capital Employed in Company            | 12,11,271               | 11,75,098             | 12,65,782               | 11,75,098             |

Notes:

1. The above results were approved by the Board of Directors at its meeting held on 12.08.2015. In the absence of independent directors, Audit Committee could not be constituted and the results were placed directly before the Board of Directors.
2. Segment Results:
  - a. Segment definitions: Liner segment includes breakbulk, container transport, passenger vessels and also passenger vessels & research vessels managed on behalf of other organisations. Bulk segment includes tankers (both crude and product), dry bulk carriers, gas carriers, phosphoric acid carriers and LNG vessels managed on behalf of joint venture companies. Technical & Offshore services segment include 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 and interest income/expenses are disclosed separately.
  - b. Expense & Revenue items are allocated vessel wise wherever possible. Expense & revenue items that cannot be allocated vessel wise are allocated on the basis of unit cum GRT method i.e. 50% allocated on the basis of units & balance 50% on the basis of adjusted GRT. For vessels which are bigger than 20000 GRT, GRT is adjusted to one third of GRT or 20000 GRT, whichever is more.
3. The details of foreign exchange loss/gain for the period/year is as under:

| Period  | ₹ in lakhs                     |                            |
|---|--------------------------------|----------------------------|
|   | Capitalised to cost of vessels | Included in "Other income" |
| For the quarter ended 30 <sup>th</sup> June ,2015 | 12000 lakhs (loss)             | 15 lakhs (gain)            |
| For the quarter ended 31 <sup>st</sup> March 2015 | 8005 lakhs (gain)              | 110 lakhs (loss)           |
| For the quarter ended 30 <sup>th</sup> June 2014  | 4 lakhs (loss)                 | 364 lakhs (gain)           |
| For the year ended 31 <sup>st</sup> March 2015    | 28260 lakhs (loss)             | 1169 lakhs (loss)          |

4. The agency agreement with SCI's agent at UAE ports was terminated w.e.f. 21.03.2015. The Company has invoked revolving bank guarantee to recover outstanding dues of ₹ 1149 lakhs from the agent. However, the agent has got injunction through local court on encashment of bank guarantee. The company has already submitted all the documents to its appointed lawyers to enable the vacation of the injunction. The legal process was delayed due to translation of voluminous documents in Arabic and intervening local holidays due to Eid. The Company is simultaneously pursuing the matter with the agents for reconciliation of accounts. The bank has confirmed its liability to honour the bank guarantee once the Court injunction is lifted. In view of foregoing, no provision is made in books as on 30.06.2015.
5. During the quarter ended 30.06.2015, the company has adopted the useful life of 25 years in respect of Tankers & Offshore vessels which is different from the useful life of 20 years specified in part C of Schedule II to the Companies Act, 2013 based on the technical parameters including design life and the past record.

Further, the company while calculating the depreciation for the quarter has adopted the residual value of all the vessels as 5% of initial cost of vessels as against Re 1/- considered earlier, keeping in view the actual realisation in the past and the limit specified in part 'C' of Schedule II to the Companies Act, 2013.

Consequent to the change, the depreciation for the quarter ended 30.06.2015 is lower & the profit for the quarter ended 30.06.2015 is higher by 5036 lakhs.

6. As per the requirements of Schedule II to the Companies Act, 2013, componentisation of fixed assets is mandatory w.e.f 01.04.2015 where the cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset. In order to comply with this requirement, the Company is in the process of studying whether the cost of a part of the vessel is significant to total cost of the vessel and useful life of that part is different from the useful life of the vessel. During the initial studies, the Company could not identify any component having cost which is significant to the cost of the vessel and having useful life different from useful life of vessel. The changes, if required on further detailed study, will be implemented in the subsequent period.
7. These results have been reviewed by the statutory auditors of the Company.
8. The auditors in their limited review report for the quarter ended 30<sup>th</sup> June 2015 have brought out that;
  - a. The direct access of overseas foreign agents to fund collected on account of freight and other charges in the absence of matching bank guarantees, any policy on fixation of credit limits based on credit rating & other factors and regular monitoring mechanism is prone to risk of non /short-payment, the consequential effect of which on the unaudited results for the quarter remains unascertainable.
  - b. The provision for expenses on self lease of staffs and officers from 01.04.2011 to 31.03.2015 has not been made, pending the requirement to enter into individual agreements between the company and each of the eligible employees for such period.
  - c. The company is in the process of carrying out the final exercise of identifying the component of the Fixed Asset whose cost is significant to total cost of the asset and determining the useful life of such component wherever the useful life of such part is different from the useful life of the remaining asset pursuant to mandatory requirement of Note no. 4 to Part 'C' of schedule II to the Companies Act, 2013, in the absence of which the impact to that extent on the results remains unascertained (Refer Note No. 6 to the statement).
  - d. The system should ensure the raising of all the invoices after the completion of voyage in case of liner division .

The management's views on the above observations are as below:

- a. SCI has opened bank accounts in its name for collection of freight and other charges directly from customers at all ports except the ports where local laws do not permit opening such accounts by non resident companies. Rating of agents is done bi-annually. Bank guarantee amounts are constantly revised depending on freight collections. Agents' performance, remittances, accounts and outstanding are regularly monitored at various levels. Minimum freight guidelines (MFG) module is already implemented in ERP for all major container ports and agents cannot book freight below the level fixed by SCI management. MFG is revised periodically.

- b. Applications for the period 01.04.2011 to 31.03.2015 are still being verified and the eligibility of the officers is being decided. No agreement has been signed by the company with the employees for this period and thus the amount, if any, payable cannot be estimated presently.
  - c. Please refer note no.6 above. The company does not expect material impact on the Profit and Loss Account for the quarter ended 30.06.2015.
  - d. The invoicing in the ERP system is dependent on the completion of the transaction i.e. delivery of the cargo to the consignee. At any given point of time there are several cargoes which remain undelivered either because the cargo has not yet reached the end destination or the consignee has not cleared the cargoes. However, income from such cargoes is manually booked in the books of accounts.
9. 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.

A.K.Gupta  
Chairman & Managing Director

Place: Mumbai  
Date: 12.08.2015