

THE SHIPPING CORPORATION OF INDIA LTD.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015

PART I		Amount in ₹lakhs					
SR NO	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED 31.03.2015 (AUDITED)
		30.09.2015 (UNAUDITED)	30.06.2015 (UNAUDITED)	30.09.2014 (UNAUDITED)	30.09.2015 (UNAUDITED)	30.09.2014 (UNAUDITED)	
1 a)	Income from Operations	107,718	104,577	108,434	212,295	214,208	415,373
b)	Other Operating Income	784	1,072	863	1,856	1,540	3,428
c)	Profit on Sale of Ships	-	-	-	-	2,238	12,055
	Total Income from Operations	108,502	105,649	109,297	214,151	217,986	430,856
2	Expenditure -						
a)	Employee Cost (shore & floating)	11,662	10,294	9,590	21,956	19,082	41,362
b)	Bunker	18,962	18,111	33,385	37,073	71,952	118,420
c)	Port dues	7,399	9,149	9,520	16,548	20,211	36,064
d)	Cargo Handling Expenses	4,771	3,541	3,338	8,312	7,558	16,418
e)	Repairs & Maintenance	7,626	5,888	6,808	13,514	13,115	25,946
f)	Charter Hire	15,773	13,888	13,991	29,661	21,615	47,371
g)	Provisions	672	151	-	823	1,636	5,811
h)	Depreciation	14,512	14,002	19,769	28,514	38,654	77,017
i)	Other Expenses	10,358	12,043	10,531	22,401	21,113	43,629
	Total Expenses	91,735	87,067	106,932	178,802	214,936	412,038
3	Profit from Operations before Other Income, finance costs & Exceptional Items (1-2)	16,767	18,582	2,365	35,349	3,050	18,818
4 a)	Interest Income	2,692	3,178	5,174	5,870	7,734	14,589
b)	Other Income	2,663	209	556	2,872	9,339	12,146
	Total	5,355	3,387	5,730	8,742	17,073	26,735
5	Profit before finance cost and Exceptional	22,122	21,969	8,095	44,091	20,123	45,553
6	Finance Costs	4,101	4,015	4,586	8,116	9,914	17,940
7	Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	18,021	17,954	3,509	35,975	10,209	27,613
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	18,021	17,954	3,509	35,975	10,209	27,613
10	Provision for Current Tax	1,900	1,600	1,650	3,500	3,400	7,520
11	Net Profit from Ordinary Activities after Tax (9-10)	16,121	16,354	1,859	32,475	6,809	20,093
12	Extra Ordinary Items	-	-	-	-	-	-
13	Net Profit (11-12)	16,121	16,354	1,859	32,475	6,809	20,093
14	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580	46,580	46,580	46,580	46,580
15	Reserves excl Revaluation Reserves as per Balance Sheet						606,780
16	Earning per Share (in Rs.)						
a)	Basic and diluted EPS before Extraordinary Items	3.46	3.51	0.40	6.97	1.46	4.31
b)	Basic and diluted EPS after Extraordinary Items	3.46	3.51	0.40	6.97	1.46	4.31

PART II**Select Information for the Quarter And Half year ended 30/09/2015**

A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- No. of Shares	168,856,033	168,856,033	168,856,033	168,856,033	168,856,033	168,856,033
	- % of Shareholding	36.25	36.25	36.25	36.25	36.25	36.25
2	Promoters and promoters group Shareholding						
	a) Pledged / Encumbered						
	- No. of Shares	NIL	NIL	NIL	NIL	NIL	NIL
	- % of Shares (as a % of a total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
	- % of Shares (as a % of a total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
	b) Non- Encumbered						
	- No. of Shares	296,942,977	296,942,977	296,942,977	296,942,977	296,942,977	296,942,977
	- % of Shares (as a % of a total shareholding of promoter and promoter group)	100	100	100	100	100	100
	- % of Shares (as a % of a total share capital of the company)	63.75	63.75	63.75	63.75	63.75	63.75

	Particulars	3 Months ended 30.09.2015
B	INVESTORS COMPLAINTS	
	Pending at the beginning of the quarter	0
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	0

Segment-wise Revenue, Results and Capital Employed							Amount in ₹lakhs
SR NO	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2015 (UNAUDITED)	30.06.2015 (UNAUDITED)	30.09.2014 (UNAUDITED)	30.09.2015 (UNAUDITED)	30.09.2014 (UNAUDITED)	31.03.2015 (AUDITED)
1	Segment Revenue						
	i. Liner Segment	13,723	16,580	24,352	30,303	50,148	90,185
	ii. Bulk Segment	85,045	80,559	75,666	165,604	149,763	304,651
	iii. Technical & Offshore Segment	9,209	8,350	8,953	17,559	17,507	34,891
	iv. Others	525	160	326	685	568	1,084
	Total	108,502	105,649	109,297	214,151	217,986	430,811
	Unallocated Revenue	2,663	209	556	2,872	9,339	12,191
	Total	111,165	105,858	109,853	217,023	227,325	443,002
2	Segment Results						
	Profit/(Loss) before Tax and Interest						
	i. Liner Segment	(3,236)	(2,067)	4,557	(5,303)	4,469	1,571
	ii. Bulk Segment	15,953	17,796	(5,719)	33,749	(7,461)	4,599
	iii. Technical & Offshore Segment	3,590	2,864	3,374	6,454	6,136	11,310
	iv. Others	478	90	248	568	404	720
	Total	16,785	18,683	2,460	35,468	3,548	18,200
	Add: Unallocated income (Net of expenditure)	2,645	108	461	2,753	8,841	12764
	Profit before Interest and Tax	19,430	18,791	2,921	38,221	12,389	30,964
	Less: Interest Expenses	4,101	4,015	4,586	8,116	9,914	17940
	Add: Interest Income	2,692	3,178	5,174	5,870	7,734	14589
	Profit before Tax	18,021	17,954	3,509	35,975	10,209	27,613
3	Capital Employed						
	i. Liner Segment	(4,723)	27,282	25,401	(4,723)	25,401	25310
	ii. Bulk Segment	1,065,238	1,029,642	1,066,584	1,065,238	1,066,584	983297
	iii. Technical & Offshore Segment	124,410	132,022	123,852	124,410	123,852	131237
	iv. Others	(38)	(91)	(131)	(38)	(131)	(88)
	Total Capital Employed in Segments	1,184,887	1,188,855	1,215,706	1,184,887	1,215,706	1,139,756
	Unallocable Capital Employed	36,131	22,416	47,951	36,131	47,951	35342
	Total Capital Employed in Company	1,221,018	1,211,271	1,263,657	1,221,018	1,263,657	1,175,098

THE SHIPPING CORPORATION OF INDIA LTD.

STATEMENT OF ASSETS AND LIABILITIES	As At 30-09-2015 (Unaudited)	As At 31-03-2015 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
a) Share Capital	46,580	46,580
b) Reserves & Surplus	639,218	606,780
2 Non-current liabilities		
a) Long- term borrowings	521,088	556,994
b) Other long-term liabilities	16	41
c) Long- term provisions	14,489	13,797
3 Current liabilities		
a) Short Term Borrowings	-	3,500
b) Trade payables	93,513	98,935
c) Other current liabilities	198,125	163,148
d) Short- term provisions	4,460	4,257
TOTAL EQUITY AND LIABILITIES	1,517,489	1,494,032
B ASSETS		
1 Non-current assets		
a) Fixed Assets		
(i) Tangible assets	1,197,618	1,143,237
(ii) Intangible assets	608	1,209
(iii) Capital work-in-progress	372	49,093
b) Non- current investments	2,738	1,306
c) Long-term loans and advances	44,556	44,472
d) Other non-current assets	1,188	1,215
2 Current assets		
a) Current investments	21,931	7,708
b) Inventories	8,404	9,193
c) Trade receivables	81,419	78,782
d) Cash & cash equivalents	108,543	125,616
e) Short-term loans and advances	36,133	21,950
f) Other current assets	13,979	10,251
TOTAL - ASSETS	1,517,489	1,494,032

Notes:

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13.11.2015.
2. Segment Results:
 - a. Segment definitions: Liner segment includes break-bulk, 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.
 - c. Agent Advances are allocated to segments in the ratio of expenses booked by agents during the period.
3. The details of foreign exchange loss/gain for the period/year is as under:

₹ in lakhs

Period	Capitalised to cost of vessels	Included in "Other income"
For the quarter ended 30th September, 2015	20924 lakhs (loss)	1358 lakhs (gain)
For the quarter ended 30 th June , 2015	12000 lakhs (loss)	15 lakhs (gain)
For the quarter ended 30th September, 2014	16994 lakhs(loss)	4374 lakhs (loss)
For the half year ended 30 th September 2015	32924 lakhs (loss)	1373 lakhs (Gain)
For the half year ended 30 th September 2014	16998 lakhs(loss)	4010 lakhs(loss)
For the year ended 31 st March 2015	28260 lakhs (loss)	1169 lakhs(loss)

4. Other income includes capital gain of ₹ 999 lakhs on sale of property at Kolkata during the quarter ended 30.09.2015.
5. The agency agreement with the agent at UAE ports was terminated w.e.f. 21.03.2015. The Company has invoked revolving bank guarantee of USD 1.6 million to recover outstanding dues of ₹ 1196 lakhs from the said agent. However, the agent has got injunction through 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. Till date, 7 hearings/adjournments have taken place. Further, the Company is also simultaneously pursuing the matter with the agent for reconciliation of accounts and the bank has confirmed its liability to honour the bank guarantee once the Court injunction is lifted. Since the matter is still sub-judice in the Court of Fujairah, no provision is made in the books on this account as on 30.09.2015.
6. During the half year ended 30th September, 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 of useful life of vessels.

Further, the company while calculating the depreciation for the half year has adopted the residual value of all the vessels at 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 30.09.2015 is lower & the profit for the quarter ended 30.09.2015 is higher by ₹ 5003 lakhs.
7. As per the requirements of Schedule II to the Companies Act, 2013, where 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, useful life of that significant part shall be determined separately for depreciation purpose.

After detailed study, the company is of the view that none of the components of the fixed assets is having useful life different from the useful life of the remaining assets. Consequently, the ascertainment of cost of the components whether significant or not to the total cost of asset was not required. However, the option of treating dry docking as a separate component is being studied by the management.
8. The Company has made a provision of ₹ 900 lakhs for self lease of staff and officers from 01.04.2011 to 31.03.2015 on estimated basis, pending final working and also the requirement to enter individual agreements between the company and each of the eligible employees with retrospective effect.

9. The auditors in their limited review report for the quarter ended 30th September 2015 have brought out that;

- a) The direct access of certain overseas foreign agents to fund collected on account of freight and other charges in the absence of adequate bank guarantees in comparison to net outstanding, any policy on fixation of credit limits based on various parameters & factors and regular monitoring mechanism is prone to risk of non /short-payment.
- b) The ERP system for booking invoices after the completion of voyages needs to be strengthened 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.
- b. Noted. 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. The income from such cargoes is manually booked in the books of accounts. However, Management is trying to book income from such cargoes through ERP system instead of booking manually.

10. These results have been reviewed by the statutory auditors of the Company.

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.

A.K.Gupta
Chairman & Managing Director

Place: Mumbai
Date: 13.11.2015