

**THE SHIPPING CORPORATION OF INDIA LTD.**  
**UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2014**

PART I							Amount in ₹lakhs
SR NO	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2014 (UNAUDITED)	30.06.2014 (UNAUDITED)	30.09.2013 (UNAUDITED)	30.09.2014 (UNAUDITED)	30.09.2013 (UNAUDITED)	31.03.2014 (AUDITED)
1 a)	Net Sales/Income from Operations	1,08,434	1,05,774	1,03,546	2,14,208	1,95,311	4,15,517
b)	Other Operating Income	918	1,117	1,460	1,671	3,589	15,073
c)	Profit on Sale of Ships	-	2,238	637	2,238	2,346	9,927
	Total Income	1,09,352	1,09,129	1,05,643	2,18,117	2,01,246	4,40,517
2	Expenditure -						
a)	Cost of Materials Consumed	NA	NA	NA	NA	NA	NA
b)	Purchases of stock - in - trade	NA	NA	NA	NA	NA	NA
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	NA	NA	NA	NA	NA	NA
d)	Employee Cost (ashore & floating)	9,716	9,574	10,300	19,290	22,899	41,465
e)	Bunker	33,385	38,567	38,260	71,952	70,942	1,41,895
f)	Port dues	9,519	10,691	10,600	20,210	19,514	39,120
g)	Cargo Handling Expenses	3,338	4,220	6,790	7,558	11,954	25,457
h)	Repairs & Maintenance	6,808	6,307	5,983	13,115	11,347	28,197
i)	Charter Hire	13,990	7,625	5,881	21,615	13,523	38,437
j)	Provisions	-	1,639	563	1,639	714	5,125
k)	Depreciation	19,770	18,885	21,714	38,655	42,191	85,645
l)	Other Expenditure	14,781	10,427	13,359	24,844	22,080	49,923
m)	Total	1,11,307	1,07,935	1,13,450	2,18,878	2,15,164	4,55,264
3	<b>Profit / (Loss) from Operations before Other Income, finance costs &amp; Exceptional Items (1-2)</b>	(1,955)	1,194	(7,807)	(761)	(13,918)	(14,747)
4 a)	Interest Income	5,174	2,560	2,703	7,734	5,412	10,329
b)	Other Income	4,878	8,344	289	13,222	403	3,053
c)	Total	10,052	10,904	2,992	20,956	5,815	13,382
5	<b>Profit / (Loss) before finance cost and Exceptional Items(3+4)</b>	8,097	12,098	(4,815)	20,195	(8,103)	(1,365)
6	Finance Costs	4,588	5,398	5,638	9,986	10,620	20,774
7	<b>Profit / (Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)</b>	3,509	6,700	(10,453)	10,209	(18,723)	(22,139)
8	Exceptional Items	-	-	-	-	-	-
9	<b>Profit / (Loss) from Ordinary Activities before Tax (7-8)</b>	<b>3,509</b>	<b>6,700</b>	<b>(10,453)</b>	<b>10,209</b>	<b>(18,723)</b>	<b>(22,139)</b>
10	Tax Expense						
a)	Provision for Taxation	1,650	1,750	1,900	3,400	3,500	6,305
b)	Excess Provision Written Back	-	-	-	-	-	(678)
c)	MAT credit	-	-	-	-	-	(300)
d)	Total	1,650	1,750	1,900	3,400	3,500	5,327
11	<b>Net Profit / (Loss) from Ordinary Activities after Tax (9-10)</b>	<b>1,859</b>	<b>4,950</b>	<b>(12,353)</b>	<b>6,809</b>	<b>(22,223)</b>	<b>(27,466)</b>
12	Extra Ordinary Items	-	-	-	-	-	-
13	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>1,859</b>	<b>4,950</b>	<b>(12,353)</b>	<b>6,809</b>	<b>(22,223)</b>	<b>(27,466)</b>
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 excluding Revaluation Reserves						5,87,402
16	Earning per Share (in Rs.)						
a)	Basic and diluted EPS before Extraordinary Items	0.40	1.06	(2.65)	1.46	(4.77)	(5.90)
b)	Basic and diluted EPS after Extraordinary Items	0.40	1.06	(2.65)	1.46	(4.77)	(5.90)

NA indicates Not Applicable

**PART II****Select Information for the Quarter ended 30/09/2014**

<b>A PARTICULARS OF SHAREHOLDING</b>							
1	Public Shareholding						
	- No. of Shares	16,88,56,033	16,88,56,033	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	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	29,69,42,977	29,69,42,977	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	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

	<b>Particulars</b>	<b>3 Months ended 30.09.2014</b>
<b>B</b>	<b>INVESTORS COMPLAINTS</b>	
	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 31.03.2014 (AUDITED)
		30.09.2014 (UNAUDITED)	30.06.2014 (UNAUDITED)	30.09.2013 (UNAUDITED)	30.09.2014 (UNAUDITED)	30.09.2013 (UNAUDITED)	
1	<b>Segment Revenue</b>						
	i. Liner Segment	24,400	25,107	22,532	50,271	45,990	93,399
	ii. Bulk Segment	75,671	72,719	77,634	1,49,769	1,39,521	2,98,877
	iii. Technical & Offshore Segment	8,954	8,126	5,284	17,508	14,787	37,507
	iv. Others	327	242	178	569	354	810
	Total	1,09,352	1,06,194	1,05,628	2,18,117	2,00,652	4,30,593
	Unallocated Revenue	4,878	11,279	304	13,222	997	12,977
	Total	1,14,230	1,17,473	1,05,932	2,31,339	2,01,649	4,43,570
2	<b>Segment Results</b>						
	Profit/(Loss) before Tax and Interest						
	i. Liner Segment	1,591	(765)	(8,026)	826	(8,131)	(19,521)
	ii. Bulk Segment	(5,505)	(3,119)	(2,818)	(8,624)	(12,670)	(16,476)
	iii. Technical & Offshore Segment	3,389	2,345	2,410	5,734	6,213	14,676
	iv. Others	250	154	109	404	200	481
	Total	(275)	(1,385)	(8,325)	(1,660)	(14,388)	(20,840)
	Add: Unallocated income (Net of expenditure)	3,198	10,923	807	14,121	873	9146
	Profit before Interest and Tax	2,923	9,538	(7,518)	12,461	(13,515)	(11,694)
	Less: Interest Expenses	4,588	5,398	5,638	9,986	10,620	20774
	Add: Interest Income	5,174	2,560	2,703	7,734	5,412	10329
	Profit before Tax	3,509	6,700	(10,453)	10,209	(18,723)	(22,139)
3	<b>Capital Employed</b>						
	i. Liner Segment	1,952	11,793	66,243	1,952	66,243	71436
	ii. Bulk Segment	9,32,055	9,30,842	11,26,749	9,32,055	11,26,749	940118
	iii. Technical & Offshore Segment	93,916	91,011	1,56,619	93,916	1,56,619	104818
	iv. Others	(132)	83	(42)	(132)	(42)	(7)
	Total Capital Employed in Segments	10,27,791	10,33,729	13,49,569	10,27,791	13,49,569	11,16,365
	Unallocable Capital Employed	2,30,939	2,31,264	31,372	2,30,939	31,372	180867
	Total Capital Employed in Company	12,58,730	12,64,993	13,80,941	12,58,730	13,80,941	12,97,232

## THE SHIPPING CORPORATION OF INDIA LTD.

STATEMENT OF ASSETS AND LIABILITIES		As at 30-09-2014 ( Unaudited )	As at 31-03-2014 ( Audited )
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share Capital		46,580	46,580
b) Reserves & Surplus		5,93,552	5,87,402
<b>2 Non-current liabilities</b>			
a) Long- term borrowings		6,11,210	6,57,074
b) Other long-term liabilities		38	36
c) Long- term provisions		12,646	12,428
<b>3 Current liabilities</b>			
a) Short Term Borrowings		10,500	58,454
b) Trade payables		1,23,506	1,08,536
c) Other current liabilities		1,42,733	1,50,237
d) Short- term provisions		4,509	4,730
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,45,274</b>	<b>16,25,477</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed Assets			
(i) Tangible assets		11,69,343	11,91,074
(ii) Intangible assets		1,815	2,358
(iii) Assets Retired from Active use		381	41
(iv) Capital work-in-progress		5,296	6,288
b) Non- current investments		1,306	1,306
c) Long-term loans and advances		72,596	98,793
d) Other non-current assets		448	446
<b>2 Current assets</b>			
a) Current investments		11,952	10,043
b) Inventories		14,030	19,045
c) Trade receivables		74,115	1,02,020
d) Cash & cash equivalents		1,33,036	1,01,893
e) Short-term loans and advances		46,114	76,581
f) Other current assets		14,842	15,589
<b>TOTAL - ASSETS</b>		<b>15,45,274</b>	<b>16,25,477</b>

Notes:

1. The above results were approved by the Board of Directors at its meeting held on 13.11.2014. 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. All assets/liabilities and revenue items are allocated vessel wise wherever possible. Assets/liabilities and 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. The components of capital employed that cannot be directly identified are allocated on the basis of GRT method.

3. The details of foreign exchange loss/gain for the period is as under:

₹ in lakhs

Period	Capitalised to cost of vessels	Included in "Other expenditure"/"Other income"
For the quarter ended 30 <sup>th</sup> September,2014	16994 lakhs (loss)	4374 lakhs (loss)
For the quarter ended 30 <sup>th</sup> June, 2014	4 lakhs (loss)	364 lakhs (gain)
For the quarter ended 30 <sup>th</sup> September, 2013	43661 lakhs (loss)	2010 lakhs (loss)
For the half year ended 30 <sup>th</sup> September, 2014	16998 lakhs (loss)	4010 laksh(loss)
For the half year ended 30 <sup>th</sup> September, 2013	123318 lakhs (loss)	827 lakhs (gain)
For the year ended 31 <sup>st</sup> March,2014	80082 lakhs (loss)	7062 lakhs (gain)

4. During the quarter ended 30.09.2014 the Company has rescinded shipbuilding contracts for one 80T AHTSV Off-shore vessel and 1 no VLCC due to non delivery of vessels within the contractual period.

5. During the quarter ended 30.09.2014, the Company has provided for interest income of Rs. 1740 lakhs on amount due from A & N administration for the period 01.04.2012 to 30.09.2014 as per contractual terms for which confirmation from A & N Administration is awaited.

6. During the quarter ended 30<sup>th</sup> September, 2014, the Company has transferred its shareholding in joint venture company SCI Forbes to G.S. Enterprises.

7. The auditors in their limited review report for the quarter ended 30<sup>th</sup> September, 2014 have brought out that;

- a. The discount rate taken as Weighted Average Cost of Capital in absence of asset specific market rate has not been adjusted for currency risk and country risk required under para 51 of Accounting Standard 28 "Impairment of Assets" issued by ICAI on the management's mere presumption of non-existence of any such risks. In the absence of any workings for such risks, the compliance to said para of AS – 28 is indeterminable and the impact on results on availability of the required workings is presently unascertainable.
- b. Weakness in the internal control system in relation to timely and proper recording of the expense transactions of the corporation needs to be adequately strengthened.
- c. We draw attention to the recording of the transactions directly in the operational software by the agents, out of which substantial transactions remain unverified by the company for the period, in respect of Liner Segment.

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

- a. While doing the impairment exercise, company has taken weighted average cost of capital as the discounting factor as per clause 50 of AS 28. The Company has done analysis of risks such as country risk, currency risk, price risk, cashflow risk and asset specific risks. It is found that there is no necessity to make any adjustment to the discounting rate as per clause 51 of AS 28.
  - b. The company is making serious efforts to ensure timely recording of transactions. However, since substantial business is carried out through global network of agents, the receipt of accounts with supporting documents takes some time.
  - c. As per the system adopted by the company, port related expenses are booked by the agents through specially designed software. The same are subsequently verified by an external firm & approved by the company. This process takes time due to involvement of multiple departments in the approval process. From our past experience it has been observed that relatively minor amount of expenses are disallowed by the company subsequently. Hence, the impact on Statement of Profit & Loss Account is not expected to be material.
8. 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: New Delhi  
Date: 13/11/2014