

**THE SHIPPING CORPORATION OF INDIA LTD.**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015**

		Amount in ₹lakhs					
SR NO	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2015 (UNAUDITED)	30.09.2015 (UNAUDITED)	31.12.2014 (UNAUDITED)	31.12.2015 (UNAUDITED)	31.12.2014 (UNAUDITED)	31.03.2015 (AUDITED)
1 a)	Income from Operations	97,411	107,718	98,333	309,706	312,541	415,373
b)	Other Operating Income	1,293	784	549	3,150	2,090	3,385
c)	Profit on Sale of Ships	-	-	6,353	-	8,552	12,055
	<b>Total Income from Operations</b>	<b>98,704</b>	<b>108,502</b>	<b>105,235</b>	<b>312,856</b>	<b>323,183</b>	<b>430,813</b>
<b>2</b>	<b>Expenditure -</b>						
a)	Employee Cost (shore & floating)	11,324	11,662	9,887	33,279	28,970	41,364
b)	Bunker	16,402	18,962	26,323	53,474	98,275	118,420
c)	Port dues	9,845	7,399	6,667	26,393	26,877	36,066
d)	Cargo Handling Expenses	4,652	4,771	4,694	12,965	12,252	16,418
e)	Repairs & Maintenance	11,061	7,626	7,434	24,574	20,548	25,947
f)	Charter Hire	11,128	15,773	14,104	40,789	35,720	47,371
g)	Provisions	258	672	3,666	1,081	4,883	5,811
h)	Depreciation	14,801	14,512	19,386	43,315	58,040	77,016
i)	Other Expenses	11,393	10,358	10,618	33,795	32,110	43,627
	Total Expenses	90,864	91,735	102,779	269,665	317,675	412,040
<b>3</b>	<b>Profit from Operations before Other Income, finance costs &amp; Exceptional Items (1-2)</b>	<b>7,840</b>	<b>16,767</b>	<b>2,456</b>	<b>43,191</b>	<b>5,508</b>	<b>18,773</b>
4 a)	Interest Income	2,612	2,692	3,567	8,481	11,301	14,589
b)	Other Income	1,278	2,663	3,191	4,149	12,530	12,191
	Total	3,890	5,355	6,758	12,630	23,831	26,780
<b>5</b>	<b>Profit before finance cost and Exceptional</b>	<b>11,730</b>	<b>22,122</b>	<b>9,214</b>	<b>55,821</b>	<b>29,339</b>	<b>45,553</b>
6	Finance Costs	3,964	4,101	4,479	12,080	14,395	17,940
<b>7</b>	<b>Profit from ordinary activities after finance cost but before Exceptional Items (5-6)</b>	<b>7,766</b>	<b>18,021</b>	<b>4,735</b>	<b>43,741</b>	<b>14,944</b>	<b>27,613</b>
8	Exceptional Items	-	-	-	-	-	-
<b>9</b>	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>7,766</b>	<b>18,021</b>	<b>4,735</b>	<b>43,741</b>	<b>14,944</b>	<b>27,613</b>
10	Provision for Current Tax	1,800	1,900	1,600	5,300	5,000	7,520
<b>11</b>	<b>Net Profit from Ordinary Activities after Tax (9-10)</b>	<b>5,966</b>	<b>16,121</b>	<b>3,135</b>	<b>38,441</b>	<b>9,944</b>	<b>20,093</b>
12	Extra Ordinary Items	-	-	-	-	-	-
<b>13</b>	<b>Net Profit (11-12)</b>	<b>5,966</b>	<b>16,121</b>	<b>3,135</b>	<b>38,441</b>	<b>9,944</b>	<b>20,093</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 excl Revaluation Reserves as per Balance Sheet						606,780
16	Earning per Share (in Rs.)						
a)	Basic and diluted EPS before Extraordinary Items	1.28	3.46	0.67	8.25	2.13	4.31
b)	Basic and diluted EPS after Extraordinary Items	1.28	3.46	0.67	8.25	2.13	4.31

Segment-wise Revenue, Results and Capital Employed							Amount in ₹lakhs
SR NO	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2015 (UNAUDITED)	30.09.2015 (UNAUDITED)	31.12.2014 (UNAUDITED)	31.12.2015 (UNAUDITED)	31.12.2014 (UNAUDITED)	31.03.2015 (AUDITED)
1	<b>Segment Revenue</b>						
	i. Liner Segment	12,698	13,723	20,248	43,001	70,410	90,185
	ii. Bulk Segment	77,103	85,045	75,912	242,707	225,625	304,651
	iii. Technical & Offshore Segment	8,455	9,209	8,895	26,014	26,399	34,891
	iv. Others	448	525	180	1,134	749	1,086
	Total	98,704	108,502	105,235	312,856	323,183	430,813
	Unallocated Revenue	1,278	2,663	3,191	4,149	12,530	12,191
	Total	99,982	111,165	108,426	317,005	335,713	443,004
2	<b>Segment Results</b>						
	Profit/(Loss) before Tax and Interest						
	i. Liner Segment	(6,024)	(3,236)	(4,203)	(11,325)	370	1,571
	ii. Bulk Segment	10,719	15,953	3,398	44,467	(4,166)	4,599
	iii. Technical & Offshore Segment	2,641	3,590	2,739	9,096	8,874	11,310
	iv. Others	392	478	47	961	451	720
	Total	7,728	16,785	1,981	43,199	5,529	18,200
	Add: Unallocated income (Net of expenditure)	1,390	2,645	3,666	4,141	12,509	12764
	Profit before Interest and Tax	9,118	19,430	5,647	47,340	18,038	30,964
	Less: Interest Expenses	3,964	4,101	4,479	12,080	14,395	17940
	Add: Interest Income	2,612	2,692	3,567	8,481	11,301	14589
	Profit before Tax	7,766	18,021	4,735	43,741	14,944	27,613
3	<b>Capital Employed</b>						
	i. Liner Segment	7,153	(4,723)	5,048	7,153	5,048	25310
	ii. Bulk Segment	1,034,034	1,065,238	1,062,470	1,034,034	1,062,470	983297
	iii. Technical & Offshore Segment	126,965	124,410	128,233	126,965	128,233	131237
	iv. Others	170	(38)	(115)	170	(115)	(88)
	Total Capital Employed in Segments	1,168,322	1,184,887	1,195,636	1,168,322	1,195,636	1,139,756
	Unallocable Capital Employed	22,267	36,131	41,049	22,267	41,049	35342
	Total Capital Employed in Company	1,190,589	1,221,018	1,236,685	1,190,589	1,236,685	1,175,098

Notes:

1. The above results were approved by the Board of Directors at its meeting held on 10.02.2016. 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 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:

Period	₹ in lakhs	
	Capitalised to cost of vessels	Included in "Other income"
For the quarter ended 31 <sup>st</sup> December, 2015	4856 lakhs (loss)	820 lakhs (loss)
For the quarter ended 30th September, 2015	20924 lakhs (loss)	1358 lakhs (gain)
For the quarter ended 31 <sup>st</sup> December, 2014	19281 lakhs (loss)	2951 lakhs (gain)
For the Nine Months ended 31 <sup>st</sup> December , 2015	37780 lakhs(loss)	552 lakhs (Gain)
For the Nine Months ended 31 <sup>st</sup> December , 2014	36279 lakhs( loss)	1059 lakhs (loss)
For the year ended 31 <sup>st</sup> March,2015	28260 lakhs (loss)	1169 lakhs(loss)

4. 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 ₹ 1060 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, 13 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 31.12.2015.

5. During the nine months ended 31<sup>st</sup> December, 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 nine months 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 31.12.2015 is lower & the profit for the quarter ended 31.12.2015 is higher by ₹ 5057 lakhs.

6. 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 expenses as a separate component is being studied by the management.

7. 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.
8. "Other income" includes interest income of ₹1952 lakhs on account of rescindment of shipbuilding contract and foreign exchange loss of ₹820 lakhs.
9. The auditors in their limited review report for the quarter ended 31<sup>st</sup> December 2015 have brought out that;

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.

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

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.

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.

Capt. B B Sinha  
Chairman & Managing Director

Place: Mumbai  
Date: 10.02.2016