

THE SHIPPING CORPORATION OF INDIA LTD.
UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31,2013

PART I		QUARTER ENDED			NINE MONTHS ENDED		Amount in ₹ lakhs
SR NO	PARTICULARS	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	YEAR ENDED
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31.03.2013 Audited
1 a)	Net Sales/Income from Operations	99,811	1,03,546	1,01,097	2,95,122	319183	4,15,252
b)	Other Operating Income	3,969	1,460	2,071	7,558	9,188	8,707
c)	Profit on Sale of Ships	7,297	637	-	9,643	10,367	12,101
	Total Income	1,11,077	1,05,643	1,03,168	3,12,323	3,38,738	4,36,060
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)	10,329	10,300	12,456	33,228	35957	47,823
e)	Bunker	37,450	38,260	36,552	1,08,392	118671	1,58,158
f)	Port dues	10,216	10,600	8,812	29,730	29260	38,680
g)	Cargo Handling Expenses	7,278	6,790	1,474	19,232	13668	22,088
h)	Repairs & Maintenance	6,536	5,983	6,644	17,883	19810	27,278
i)	Charter Hire	9,745	5,881	10,010	23,268	36928	44,464
j)	Provisions	134	563	274	848	2883	13,211
k)	Depreciation	22,200	21,714	19,332	64,391	55814	76,052
l)	Other Expenditure	11,786	13,359	12,975	33,866	32,431	42,424
m)	Total	115674	113450	108529	330838	345422	470178
3	Profit / (Loss) from Operations before Other Income, finance costs & Exceptional Items (1-2)	(4,597)	(7,807)	(5,361)	(18,515)	(6,684)	(34,118)
4 a)	Interest Income	4,854	2,703	2,580	10,266	8,365	10,729
b)	Other Income	80	289	141	483	668	2,751
c)	Total	4,934	2,992	2,721	10,749	9,033	13,480
5	Profit / (Loss) before finance cost and Exceptional Items(3+4)	337	(4,815)	(2,640)	(7,766)	2,349	(20,638)
6	Finance Costs	5,504	5,638	4,662	16,124	11,085	16,181
7	Profit / (Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(5,167)	(10,453)	(7,302)	(23,890)	(8,736)	(36,819)
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax (7-8)	(5,167)	(10,453)	(7,302)	(23,890)	(8,736)	(36,819)
10	Tax Expense						
a)	Provision for Taxation	1,400	1,900	224	4,900	4,224	5,010
b)	Excess Provision Written Back	-	-	-	-	-	(424)
c)	Total	1,400	1,900	224	4,900	4,224	4,586
11	Net Profit / (Loss) from Ordinary Activities after Tax (9-10)	(6567)	(12353)	(7526)	(28790)	(12960)	(41405)
12	Extra Ordinary Items	-	-	-	-	(29,673)	(29,974)
13	Net Profit/ (Loss) for the period (11-12)	(6567)	(12353)	(7526)	(28790)	16713	(11431)
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						6,15,035
16	Earning per Share (in Rs.)						
a)	Basic and diluted EPS before Extraordinary Items	(1.41)	(2.65)	(1.62)	(6.18)	(2.78)	(8.89)
b)	Basic and diluted EPS after Extraordinary Items	(1.41)	(2.65)	(1.62)	(6.18)	3.59	(2.45)

PART II						
Select Information for the Quarter ended 31/12/2013						
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	16,88,56,033
	- % of Shareholding	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
	- % of Shares (as a % of a total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- % of Shares (as a % of a total share capital of the company)	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
	- % of Shares (as a % of a total shareholding of promoter and promoter group)	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

NA indicates Not Applicable

Particulars	3 Months ended 31.12.2013
B INVESTORS COMPLAINTS	
Pending at the beginning of the quarter	0
Received during the quarter	7
Disposed of during the quarter	7
Remaining unresolved at the end of the quarter	0

Segment-wise Revenue, Results and Capital Employed							Amount in ₹ lakhs
SR NO	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2013 Unaudited	30.09.2013 Unaudited	31.12.2012 Unaudited	31.12.2013 Unaudited	31.12.2012 Unaudited	31.03.2013 Audited
1	Segment Revenue						
	i. Liner Segment	18618	22163	27966	64274	89872	1,15,689
	ii. Bulk Segment	74513	77136	63923	213297	219030	2,79,901
	iii. Others	14152	6329	11279	30364	29836	40,470
	Total	107283	105628	103168	307935	338738	436060
	Unallocated Revenue	3874	304	141	4,871	30,341	32,725
	Total	111157	105932	103309	312806	369079	468785
2	Segment Results						
	Profit/(Loss) before Tax and Interest						
	i. Liner Segment	(11618)	(7785)	1410	(19,898)	523	(3,157)
	ii. Bulk Segment	(1189)	(3367)	(11044)	(14745)	(18657)	(36,774)
	iii. Others	4528	2827	4277	11976	11434	15,597
	Total	(8279)	(8325)	(5357)	(22667)	(6700)	(24334)
	Less: Unallocated Expenditure (Net of Income)	(3762)	(807)	(137)	(4635)	(684)	7,033
	Profit before Interest and Tax	(4517)	(7518)	(5220)	(18032)	(6016)	(31367)
	Less: Interest Expenses	5504	5638	4662	16124	11085	16181
	Add: Interest Income	4854	2703	2580	10266	8365	10729
	Profit before Tax	(5167)	(10453)	(7302)	(23890)	(8736)	(36819)
3	Capital Employed						
	i. Liner Segment	69967	77619	86619	69967	86619	1,00,905
	ii. Bulk Segment	1128480	1127250	1070042	1128480	1070042	10,61,444
	iii. Others	134856	144700	142041	134856	142041	1,16,908
	Total Capital Employed in Segments	1333303	1349569	1298702	1333303	1298702	1279257
	Unallocable Capital Employed	10196	32159	161497	10196	161497	71,464
	Total Capital Employed in Company	1343499	1381728	1460199	1343499	1460199	1350721

Notes:

1. The above results were reviewed by the Audit Committee in its meeting held on 13.02.2014 and approved by the Board of Directors on 14.02.2014.
2. Segment Results:
 - a. Segment definitions: Liner segment includes breakbulk and container transport. Bulk segment includes tankers (both crude and product), dry bulk carriers, gas carriers and phosphoric acid carriers. Others include offshore vessels, passenger vessels and services and ships managed on behalf of other organisations. 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:

	Capitalised to cost of vessels	Charged to interest expense in accordance with ASI 10 to AS – 16 “Borrowing cost”	Included in “Other expenditure”/”Other income”
For the quarter ended 31 st December 2013	13620 lakhs (Gain)	Nil	2678 lakhs (gain)
For the quarter ended 30 th September 2013	43661 lakhs (loss)	Nil	2010 lakhs (loss)
For the Nine Months ended 31 st December, 2013	109698 lakhs (loss)	Nil	3505 lakhs (gain)
For the Nine Months ended 31 st December, 2012	35293 lakhs (loss)	Nil	2413 lakhs (loss)
For the year ended 31 st March, 2013	74654 lakhs (loss)	Nil	2365 lakhs (loss)

4. During the quarter ended 31st December, the Company sold Product Tanker R N Tagore , Bulk Carrier Maharashtra and Crude Oil Tanker Motilal Nehru of DWT 44,669, 43,037 and 94,540 respectively .
5. During the quarter the Corporation has rescinded the shipbuilding contracts for construction of three nos of AHTSV’s and subsequent to the quarter Corporation has rescinded shipbuilding contracts for 1 No 6500 TEU container vessel and 1 No Kamsarmax Bulk Carrier due to non-delivery of the vessel within the contractual time period.
6. The auditors in their limited review report for the quarter ended 31st December, 2013 have brought out that;
 - a. The Accuracy of the Exchange gain / loss, due to bill wise reconciliation of transactions for Customer reconciliation / Advance received from Customers, recognized on revaluation as per the Accounting Standard – 11 remains unverifiable and remains unascertainable.
 - b. Failure to correct material weaknesses in the internal control systems in relation to timely and proper recording of the transactions relating to the expenses, revenue and bank accounts by the Corporation.

The Auditors have not given any specific reasons or basis for the observations in their limited review report. The management's views on the above observations are as below:

- a. SCI has gone live with new IT system in February 2011. The issue is arising only in cases of sundry debtors migrated from the legacy system to the new IT system and the invoice raised is in foreign currency but payment is received in Rupees or in agent's local currency. As on date, the balance value of migrated and in transit invoices outstanding in foreign currency is about Rs. 206 lakhs and total receipts still outstanding for clearing in different currencies is about Rs. 249 lakhs.

The Management is making all efforts to clear these pending transactions and is expected to be completed by 31st March, 2014. The Management does not expect any material impact on profit & loss due to this.

- b. SCI has implemented new IT system since February 2011 incorporating various Internal Controls for booking of income and expenses.

SCI has a network of agents working around the globe. They are prefunded for expenses to be incurred at various ports. Final invoices are booked without delay but their subsequent verification takes time considering nature of industry. This is a process issue and not any internal control issue.

Bank Reconciliation Statements are prepared in respect of all Bank accounts on monthly basis. However, few receipts remain to be accounted for due to non availability of details which is normal and are reflected in Bank Reconciliation Statement. This does not have any impact on Profit & Loss Account.

7. 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: 14/02/2014