

THE SHIPPING CORPORATION OF INDIA LTD.
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

		Amount in ₹lakhs				
SR NO	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2016 (AUDITED)	31.12.2015 (UNAUDITED)	31.03.2015 (AUDITED)	31.03.2016 (AUDITED)	31.03.2015 (AUDITED)
1 a)	Income from Operations	98,122	97,411	102,831	407,828	415,373
b)	Other Operating Income	260	1,293	1,296	3,411	3,385
c)	Profit on Sale of Ships	-	-	3,503	-	12,055
	Total Income from Operations	98,382	98,704	107,630	411,239	430,813
2	Expenditure -					
a)	Employee Cost (shore & floating)	12,457	11,324	12,394	45,737	41,364
b)	Bunker	10,275	16,402	20,145	63,750	118,420
c)	Port dues	8,172	9,845	9,189	34,566	36,066
d)	Cargo Handling Expenses	3,834	4,652	4,166	16,799	16,418
e)	Repairs & Maintenance	8,991	11,061	5,399	33,566	25,947
f)	Charter Hire	9,591	11,128	11,653	50,382	47,371
g)	Provisions	4,196	258	927	5,277	5,811
h)	Depreciation	14,680	14,801	18,976	57,995	77,016
i)	Impairment on assets	13,638	-	-	13,638	-
j)	Other Expenses	13,783	11,393	11,947	47,571	43,627
	Total Expenses	99,617	90,864	94,796	369,281	412,040
3	Profit from Operations before Other Income, finance costs & Exceptional Items (1-2)	(1,235)	7,840	12,834	41,958	18,773
4 a)	Interest Income	2,838	2,612	3,287	11,320	14,589
b)	Other Income	1,012	1,278	92	5,161	12,191
	Total	3,850	3,890	3,379	16,481	26,780
5	Profit before finance cost and Exceptional	2,615	11,730	16,213	58,439	45,553
6	Finance Costs	3,980	3,964	3,544	16,060	17,940
7	Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	(1,365)	7,766	12,669	42,379	27,613
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	(1,365)	7,766	12,669	42,379	27,613
10	Provision for Current Tax	(650)	1,800	2,520	4,650	7,520
11	Net Profit from Ordinary Activities after Tax (9-10)	(715)	5,966	10,149	37,729	20,093
12	Extra Ordinary Items	-	-	-	-	-
13	Net Profit (11-12)	(715)	5,966	10,149	37,729	20,093
14	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580	46,580	46,580	46,580
15	Reserves excl Revaluation Reserves as per Balance Sheet				644,459	606,780
16	Earning per Share (in Rs.)					
a)	Basic and diluted EPS before Extraordinary Items	(0.15)	1.28	2.18	8.10	4.31
b)	Basic and diluted EPS after Extraordinary Items	(0.15)	1.28	2.18	8.10	4.31

Segment-wise Revenue, Results and Capital Employed				Amount in ₹lakhs		
SR NO	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2016 (AUDITED)	31.12.2015 (UNAUDITED)	31.03.2015 (AUDITED)	31.03.2016 (AUDITED)	31.03.2015 (AUDITED)
1	Segment Revenue					
	i. Liner Segment	10,468	12,698	19,536	53,471	90,185
	ii. Bulk Segment	79,776	77,103	79,265	322,480	304,651
	iii. Technical & Offshore Segment	7,939	8,455	8,492	33,955	34,891
	iv. Others	199	448	337	1,333	1,086
	Total	98,382	98,704	107,630	411,239	430,813
	Unallocated Revenue	1,012	1,278	92	5,161	12,191
	Total	99,394	99,982	107,722	416,400	443,004
2	Segment Results					
	Profit/(Loss) before Tax and Interest					
	i. Liner Segment	(4,575)	(6,024)	1,042	(15,900)	1,571
	ii. Bulk Segment	4,889	10,719	9,667	49,357	4,599
	iii. Technical & Offshore Segment	1,304	2,641	2,496	10,401	11,310
	iv. Others	47	392	267	1,008	720
	Total	1,665	7,728	13,472	44,866	18,200
	Add: Unallocated income (Net of expenditure)	(1,888)	1,390	(546)	2,253	12764
	Profit before Interest and Tax	(223)	9,118	12,926	47,119	30,964
	Less: Interest Expenses	3,980	3,964	3,544	16,060	17940
	Add: Interest Income	2,838	2,612	3,287	11,320	14589
	Profit before Tax	(1,365)	7,766	12,669	42,379	27,613
3	Capital Employed					
	i. Liner Segment	7,576	7,153	25310	7,576	25310
	ii. Bulk Segment	984,099	1,034,034	983297	983,247	983297
	iii. Technical & Offshore Segment	119,693	126,965	131237	120,768	131237
	iv. Others	66	170	(88)	66	(88)
	Total Capital Employed in Segments	1,111,434	1,168,322	1,139,756	1,111,657	1,139,756
	Unallocable Capital Employed	53,866	22,267	35342	53,866	35342
	Total Capital Employed in Company	1,165,300	1,190,589	1,175,098	1,165,523	1,175,098

The Shipping Corporation of India Limited
Standalone Balance Sheet as at 31st March 2016

Particulars	Note No.	As at 31st March, 2016 ₹ In lakhs	As at 31st March, 2015 ₹ In lakhs
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share capital	1	46580	46580
(b) Reserves and surplus	2	644459	606780
(2) Non-current liabilities			
(a) Long-term borrowings	3	459801	556994
(b) Other Long-term liabilities	4	9	41
(c) Long-term provisions	5	14451	13797
(3) Current liabilities			
(a) Short term borrowings	6	-	3500
(b) Trade payables	7	98961	97695
(c) Other current liabilities	8	179067	163217
(d) Short-term provisions	9	6763	4257
TOTAL		1450091	1492861
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	1160282	1143237
(ii) Intangible assets	11	58	1209
(iii) Capital work-in-progress	12	-	49093
(b) Non-current investments	13	2734	1296
(c) Long-term loans and advances	14	45277	51321
(d) Other non-current assets	15	1242	1215
(2) Current assets			
(a) Current investments	16	3795	7718
(b) Inventories	17	8558	9193
(c) Trade Receivables	18	70882	78782
(d) Cash and Bank balances	19	128625	125616
(e) Short-term loans and advances	20	20051	13930
(f) Other current assets	21	8587	10251
TOTAL		1450091	1492861

Notes:

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 26.05.2016.
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 st March, 2016	162 lakhs (gain)	771 lakhs (gain)
For the quarter ended 31 st December, 2015	4856 lakhs (loss)	820 lakhs (loss)
For the quarter ended 31 st March, 2015	8005 lakhs (gain)	110 lakhs (loss)
For the year ended 31 st March, 2016	37631 lakhs (loss)	1324 lakhs (gain)
For the year ended 31 st 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 ₹ 1115 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, 14 hearings/adjunctions 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 31.03.2016.
5. During the year 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 year 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/year is lower & the profit for the quarter/year is higher by ₹ 4918 lakhs and ₹ 19878 lakhs respectively.

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 carrying amounts of Company's assets have been reviewed at the Balance sheet date to determine whether there is any indication of impairment. Such indication exists in the case of few vessels. There is an impairment loss of ₹ 13638 lakhs provided in the statement of profit and loss account for the year which arose out of cash flow projections based on management's best estimate of the set of conditions that exists over the remaining useful life of the asset taking into consideration the following assumptions:

- a. Time charter yield is taken for next five years based on external evidence i.e, report of Drewry, a reputed research and advisory organisation for the maritime sector.
- b. For the remaining economic life of the asset, the yearwise growth in the time charter yield has been extrapolated based on the historical data of last 15 years for the vessels published by Drewry taking the growth in the year 2003 over the year 2002 as the base year.
- c. Budgeted standing charges and management expenses of the year 2016-17 are increased for each year from 2017-18 based on the management's best estimate of the likely increase in future.

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

9. The auditors in their audit report for the year ended 31st March 2016 have brought out that;
 - a. The direct access of overseas foreign agents to fund collected on account of freight and other charges without adequate security and regular monitoring mechanism is prone to risk of non /short-payment, the consequential effect of which on the statement of profit and loss remains unascertainable.
 - b. One of the vessels acquired in the year 2012-13 was undercapitalised by 3.50 million USD and the provision for interest @ 2.5% pa on this amount has not been made in the accounts from the year 2012-13. This has resulted in understatement of fixed assets by Rs.20.28 crores, overstatement of profits by Rs.4.98 crores and understatement of liability of Rs.25.25 Cr.

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

- a) The Bank Guarantees (BG) are taken from the Agents as per the defined Company Norms in order to mitigate risks in case of delays/default in non-payment of freight beyond stipulated period. These BGs are reviewed on annual basis to ensure their

adequacy in terms of the company policy. There is an online system for monitoring of the outstanding from the agents which provide system reports. These reports are used for regular follow up with the agents.

- b) Since the accounts for FY 2012-13 have already been audited by the statutory auditors as well as by the C & AG and approved by the Board; the issue of undercapitalization in 2012-13 is being referred to Board for its consideration. Depending on the Board decision, necessary accounting entries, if required, will be passed in the books in FY 2016-17. Pending Board decision, interest @2.5% pa till 31.03.2016 on USD 3.5 million amounting to Rs. 2 crores is shown as contingent liability. In view of foregoing, there is no impact on the profit, net worth, total assets and EPS of Company in the FY 2015-16 as the necessary accounting treatment, if required, will be given in the next financial year.

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

11. The audited annual accounts are subject to review by the Comptroller & Auditor General of India under section 143(6) of the Companies Act , 2013

12. 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: 26.05.2016

THE SHIPPING CORPORATION OF INDIA LTD.
CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

Amount in ₹lakhs			
SR NO	PARTICULARS	YEAR ENDED	
		31.03.2016 (AUDITED)	31.03.2015 (AUDITED)
1 a)	Income from Operations	421,387	427,394
b)	Other Operating Income	3,411	3,730
c)	Profit on Sale of Ships	-	12,055
	Total Income from Operations	424,798	443,179
2	Expenditure -		
a)	Employee Cost (shore & floating)	46,623	42,217
b)	Bunker	63,749	118,420
c)	Port dues	34,566	36,066
d)	Cargo Handling Expenses	16,799	16,418
e)	Repairs & Maintenance	37,203	30,108
f)	Charter Hire	50,382	47,371
g)	Provisions	5,277	5,811
h)	Depreciation	61,072	80,149
i)	Impairment on assets	13,638	-
j)	Other Expenses	46,700	43,253
	Total Expenses	376,009	419,813
3	Profit from Operations before Other Income, finance costs & Exceptional Items (1-2)	48,789	23,366
4 a)	Interest Income	10,648	13,799
b)	Other Income	5,246	13,627
	Total	15,894	27,426
5	Profit before finance cost and Exceptional	64,683	50,792
6	Finance Costs	21,089	23,767
7	Profit from ordinary activities after finance cost but before Exceptional Items (5-6)	43,594	27,025
8	Exceptional Items	-	-
9	Profit from Ordinary Activities before Tax (7-8)	43,594	27,025
10	Provision for Current Tax	4,654	7,524
11	Net Profit from Ordinary Activities after Tax (9-10)	38,940	19,501
12	Extra Ordinary Items	-	-
13	Net Profit (11-12)	38,940	19,501
14	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580
15	Reserves excl Revaluation Reserves as per Balance Sheet	644,256	605,336
16	Earning per Share (in Rs.)		
a)	Basic and diluted EPS before Extraordinary Items	8.36	4.19
b)	Basic and diluted EPS after Extraordinary Items	8.36	4.19

Segment-wise Revenue, Results and Capital Employed			
SR NO	PARTICULARS	YEAR ENDED	
		31.03.2016 (AUDITED)	31.03.2015 (AUDITED)
1	Segment Revenue		
	i. Liner Segment	53,471	90,185
	ii. Bulk Segment	336,039	317,017
	iii. Technical & Offshore Segment	33,955	34,891
	iv. Others	1,333	1,086
	Total	424,798	443,179
	Unallocated Revenue	5,246	13,627
	Total	430,044	456,806
2	Segment Results		
	Profit/(Loss) before Tax and Interest		
	i. Liner Segment	(15,900)	1,571
	ii. Bulk Segment	56,187	10,474
	iii. Technical & Offshore Segment	10,401	11,310
	iv. Others	1,008	720
	Total	51,696	24,075
	Add: Unallocated income (Net of expenditure)	2,339	12918
	Profit before Interest and Tax	54,035	36,993
	Less: Interest Expenses	21,089	23767
	Add: Interest Income	10,648	13799
	Profit before Tax	43,594	27,025
3	Capital Employed		
	i. Liner Segment	7,576	25,310
	ii. Bulk Segment	1,032,059	1,032,159
	iii. Technical & Offshore Segment	120,768	131,237
	iv. Others	66	(88)
	Total Capital Employed in Segments	1,160,469	1,188,618
	Unallocable Capital Employed	53,866	35,342
	Total Capital Employed in Company	1,214,335	1,223,960

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The Shipping Corporation of India Limited
Consolidated Balance Sheet as at 31st March 2016

Particulars	As at 31st March, 2016 ₹ In lakhs	As at 31st March, 2015 ₹ In lakhs
I EQUITY AND LIABILITIES		
(1) Shareholders' Funds:		
(a) Share capital	46580	46580
(b) Reserves and surplus	644256	605336
(2) Non-current liabilities		
(a) Long-term borrowings	524832	614903
(b) Other Long-term liabilities	9	41
(c) Long-term provisions	14451	13797
(3) Current liabilities		
(a) Short term borrowings	-	3857
(b) Trade payables	100632	99499
(c) Other current liabilities	212028	195618
(d) Short-term provisions	6763	4257
TOTAL	1549551	1583888
II ASSETS		
(1) Non-current assets		
(a) Fixed Assets		
(i) Tangible assets	1245318	1226766
(ii) Intangible assets	58	1209
(iii) Capital work-in-progress	15793	56697
(b) Non-current investments	6	-
(c) Long-term loans and advances	37472	43358
(d) Other non-current assets	1242	1215
(2) Current assets		
(a) Current investments	3795	7718
(b) Inventories	8635	9266
(c) Trade Receivables	71832	79901
(d) Cash and Bank balances	136756	133547
(e) Short-term loans and advances	20057	13960
(f) Other current assets	8587	10251
TOTAL	1549551	1583888

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Notes:

1. The above results were reviewed by the Audit Committee in its meeting held on 28.06.2016 and approved by the Board of Directors at its meeting held on 27.07.2016.
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, LNG vessels and income from management of LNG vessels. Technical & Offshore services segment include Group 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 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 segment in the ratio of expenses booked by the agents during the year.
3. 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 ₹ 1115 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, 14 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 31.03.2016.
4. During the year 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 year 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 year is lower & the profit for the year is higher by ₹ 19878 lakhs.
5. 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.



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- Time charter yield is taken for next five years based on external evidence i.e, report of Drewry, a reputed research and advisory organisation for the maritime sector.
 - For the remaining economic life of the asset, the yearwise growth in the time charter yield has been extrapolated based on the historical data of last 15 years for the vessels published by Drewry taking the growth in the year 2003 over the year 2002 as the base year.
 - Budgeted standing charges and management expenses of the year 2016-17 are increased for each year from 2017-18 based on the management's best estimate of the likely increase in future.
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
8. The auditors in their audit report for the year ended 31st March 2016 have brought out that;
- The direct access of overseas foreign agents to fund collected on account of freight and other charges without adequate security and regular monitoring mechanism is prone to risk of non /short-payment, the consequential effect of which on the statement of profit and loss remains unascertainable.
 - One of the vessels acquired in the year 2012-13 was undercapitalised by 3.50 million USD and the provision for interest @ 2.5% pa on this amount has not been made in the accounts from the year 2012-13. This has resulted in understatement of fixed assets by Rs.20.28 crores, overstatement of profits by Rs.4.98 crores and understatement of liability of Rs.25.25 Cr.

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

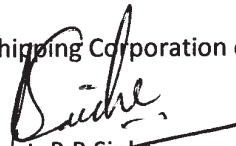
- The Bank Guarantees (BG) are taken from the Agents as per the defined Company Norms in order to mitigate risks in case of delays/default in non-payment of freight beyond stipulated period. These BGs are reviewed on annual basis to ensure their adequacy in terms of the company policy. There is an online system for monitoring of the outstanding from the agents which provide system reports. These reports are used for regular follow up with the agents.
- Since the accounts for FY 2012-13 have already been audited by the statutory auditors as well as by the C & AG and approved by the Board; the issue of undercapitalization in 2012-13 is being referred to Board for its consideration. Depending on the Board decision, necessary accounting entries, if required, will be passed in the books in FY 2016-17. Pending Board decision, interest @2.5% pa till 31.03.2016 on USD 3.5 million amounting to Rs. 2 crores is shown as contingent liability. In view of foregoing, there is



no impact on the profit, net worth, total assets and EPS of Company in the FY 2015-16 as the necessary accounting treatment, if required, will be given in the next financial year.

9. The audited annual accounts are subject to review by the Comptroller & Auditor General of India under section 143(6) of the Companies Act , 2013
10. 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: 27.07.2016

