THE SHIPPING CORPORATION OF INDIA LTD.
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH , 2014

PART I						
					Amount in ₹ lakhs	
SR NO	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2014 Audited	31.12.2013 Unaudited	31.03.2013 Audited	31.03.2014 Audited	31.03.2013 Audited
1 a)	Net Sales/Income from Operations	1,20,395	99,811	96,069	4,15,517	415362
b)	Other Operating Income	7,515	6,499	(481)	15,073	8,597
c)	Profit on Sale of Ships	284	7,297	1,769	9,927	12,101
	Total Income	1,28,194	1,13,607	97,357	4,40,517	4,36,060
2	Expenditure -					
a	Cost of Materials Consumed	NA	NA	NA	NA	NA
b	Purchases of stock - in - trade	NA	NA	NA	NA	NA
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	NA	NA	NA	NA	NA
d	Employee Cost (ashore & floating)	10,840	9,412	11,026	41,465	44305
e	Bunker	33,503	37,450	39,487	1,41,895	158158
f	Port dues	9,390	10,216	9,420	39,120	38680
g	Cargo Handling Expenses	6,225	7,278	8,420	25,457	22088
h	Repairs & Maintenance	10,314	6,536	7,468	28,197	27278
i	Charter Hire	15,169	9,745	7,536	38,437	44464
j	Provisions	4,277	134	10,328	5,125	13211
k	Depreciation	21,254	22,200	20,238	85,645	76052
l	Other Expenditure	13,454	12,703	10,868	49,923	45,942
m	Total	124426	115674	124791	4,55,264	470178
3	**Profit / (Loss) from Operations before Other Income, finance costs & Exceptional Items (1-2)**	3,768	(2,067)	(27,434)	(14,747)	(34,118)
4 a)	Interest Income	2,593	2,324	2,364	10,329	10,729
b)	Other Income	40	80	2,083	3,053	2,751
c)	Total	2,633	2,404	4,447	13,382	13,480
5	**Profit / (Loss) before finance cost and Exceptional Items(3+4)**	6,401	337	(22,987)	(1,365)	(20,638)
6	Finance Costs	4,650	5,504	5,096	20,774	16,181
7	**Profit / (Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)**	1,751	(5,167)	(28,083)	(22,139)	(36,819)
8	Exceptional Items	-	-	-	-	-
9	**Profit / (Loss) from Ordinary Activities before Tax (7-8)**	**1,751**	**(5,167)**	**(28,083)**	**(22,139)**	**(36,819)**
10	Tax Expense					
a)	Provision for Taxation	1,405	1,400	786	6,305	5,010
b)	Excess Provision Written Back	(678)	-	(424)	(678)	(424)
c)	MAT Credit	(300)			(300)	
c)	Total	427	1,400	362	5,327	4,586
11	**Net Profit / (Loss) from Ordinary Activities after Tax (9-10)**	**1324**	**(6567)**	**(28445)**	**(27466)**	**(41405)**
12	Extra Ordinary Items	-	-	(301)	-	(29,974)
13	**Net Profit/ (Loss) for the period (11-12)**	**1324**	**(6567)**	**(28144)**	**(27466)**	**(11431)**
14	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580	46,580	46,580	46,580
15	Reserves excluding Revaluation Reserves				5,87,402	6,15,035
16	Earning per Share (in Rs.)					
	a) Basic and diluted EPS before Extraordinary Items	0.28	(1.41)	(6.11)	(5.90)	(8.89)
	b) Basic and diluted EPS after Extraordinary Items	0.28	(1.41)	(6.04)	(5.90)	(2.45)

PART II						
	Select Information for the Quarter ended 31/03/2014					
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 31.03.2014**
B	**INVESTORS COMPLAINTS**	
	Pending at the begining 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**			**YEAR ENDED**	
		31.03.2014 Audited	**31.12.2013 Unaudited**	**31.03.2013 Audited**	**31.03.2014 Audited**	**31.03.2013 Audited**
1	**Segment Revenue**					
	i. Liner Segment	26169	18618	25817	90,443	1,15,689
	ii. Bulk Segment	84238	74513	60906	2,97,535	2,79,901
	iii. Others	12251	14152	10634	42,615	40,470
	Total	122658	107283	97357	4,30,593	436060
	Unallocated Revenue	5576	6404	2,384	12,977	32,725
	Total	128234	113687	99741	443570	468785
2	**Segment Results**					
	Profit/(Loss) before Tax and Interest					
	i. Liner Segment	(2327)	(11618)	(3680)	(22,225)	(3,157)
	ii. Bulk Segment	(3265)	(1189)	(18117)	(18,010)	(36,774)
	iii. Others	7419	4528	4163	19,395	15,597
	Total	1827	(8279)	(17634)	(20840)	(24334)
	Less: Unallocated Expenditure (Net of Income)	(1981)	(6292)	7717	(9146)	7,033
	Profit before Interest and Tax	3808	(1987)	(25351)	(11694)	(31367)
	Less: Interest Expenses	4650	5504	5096	20774	16181
	Add: Interest Income	2593	2324	2364	10329	10729
	Profit before Tax	1751	(5167)	(28083)	(22139)	(36819)
3	**Capital Employed**					
	i. Liner Segment	70150	69967	100905	70150	1,00,905
	ii. Bulk Segment	1071800	1128480	1061444	1071800	10,61,444
	iii. Others	129408	134856	116908	129408	1,16,908
	Total Capital Employed in Segments	1271358	1333303	1279257	1271358	1279257
	Unallocable Capital Employed	26663	10196	71464	26663	71,464
	Total Capital Employed in Company	1298021	1343499	1350721	1298021	1350721

The Shipping Corporation of India Limited: Mumbai
Balance Sheet as at 31st March 2014

	Particulars	As at 31st March, 2014 ₹ In lakhs	As at 31st March, 2013 ₹ In lakhs
I	**EQUITY AND LIABILITIES**		
(1)	**Shareholders' Funds:**		
	(a) Share Capital	46580	46580
	(b) Reserves and Surplus	587402	615035
(2)	**Non-current liabilities**		
	(a) Long-term borrowings	657074	682264
	(b) Other Long-term Liabilities	823	841
	(c) Long-term provisions	12428	10899
(3)	**Current liabilities**		
	(a) Short term Borrowings	58454	45704
	(b) Trade payables	107749	80358
	(c) Other current Liabilities	150237	119637
	(d) Short-term provisions	4730	7616
	TOTAL	**1625477**	**1608934**
II	**ASSETS**		
(1)	**Non-current assets**		
	(a) Fixed Assets		
	(i) Tangible assets	1191074	1150651
	(ii) Intangible assets	2358	3327
	(iii) Assets Retired from Active use	41	47
	(iv) Capital work-in-progress	6288	18945
	(b) Non-current investments	1306	17
	(c) Long-term loans and advances	98793	167185
	(d) Other non-current assets	446	511
(2)	**Current assets**		
	(a) Current investments	10043	11769
	(b) Inventories	19045	18346
	(c) Trade receivables	102020	88641
	(d) Cash and Bank Balances	101893	126478
	(e) Short-term loans and advances	76581	14727
	(f) Other current assets	15589	8290
	TOTAL	**1625477**	**1608934**

Notes:

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 27.05.2014.

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:

₹ in lakhs

Period	Capitalised to cost of vessels	Included in "Other expenditure"/"Other income"
For the quarter ended 31st March 2014	21373 lakhs (gain)	3208 lakhs(gain)
For the quarter ended 31st December, 2013	12708 lakhs(gain)	2678 lakhs (gain)
For the quarter ended 31st March 2013	4567 lakhs(gain)	49 lakhs (loss)
For the year ended 31st March, 2014	80082 lakhs (loss)	7062 lakhs (gain)
For the year ended 31st March 2013	74654 lakhs (loss)	2365 lakhs(loss)

4. During the quarter ended 31.3.2014 the Company has rescinded shipbuilding contracts for one 6500 TEU container vessel, one kamsarmax bulk carrier and one 80 ton AHTSV and subsequent to the quarter, the Company has rescinded shipbuilding contract for one 6500 TEU container vessel and one 80 ton AHTSV due to non delivery of vessel within the contractual period.
   Out of the above rescinded contracts, two 6500 TEU container vessel and 1 kamsarmax bulk carrier were the projects identified as 'Objects of the Issue' during the FPO issued by the Company in Nov 2010. An amount of ₹ 22553 .8 lakhs of the FPO funds were invested in these projects. An amount of ₹ 21021 lakhs of the FPO funds has been received as refund from the shipyard for two nos 6500 TEU container vessel. This amount has been set aside and invested in deposits pending approval of utilization from the AGM.

As a result of above, the FPO funds utilization stands as under –

Particulars	Amt in ₹ lakhs
Amount raised from Follow on Public Offer in Nov 2010	58245
Amount utilized during FY 2010-11 , FY 2011 -12	58245
Balance	Nil
Amount of FPO funds received as refund for rescinded contract in April/ May 2014 invested in deposits	21021

5. During the quarter ended 31st March, 2014, the Company sold one Offshore supply vessel SCI-02 of DWT 1776.29.

6. The company has provided for diminution in value of its investments in its Joint Venture Company SCI Forbes of Rs 2720 lakhs

7. The auditors in their audit report for the quarter ended 31st March, 2014 have brought out that;

a. In absence of sufficient documentary evidence to comply with clause 50 and 51 of AS 28 Impairment of Assets issued by ICAI in respect of the adjustments required to the Discount rate currently taken at 6% for the specific risks associated with the cash flows such as currency risk, price risk, country risk, cash flow risk etc. and estimation of expected rate of return on equity to arrive at the Weighted Average Cost of Capital, the effect of which on discount rate remains unascertainable on the statement of profit and loss account, fixed assets and provision for impairment.

b. In the absence of positive confirmations required in response of letters issued by the management as per para 13 of SA 505 External confirmations issued by ICAI for trade receivables that may require adjustment to the statement of profit and loss account and their balances respectively, the consequential impact of the same on statement of profit and loss account and balance sheet remains unascertainable.

c. We draw attention toward the direct access of the Accounting Software provided to the Agents for accounting of the expenses relating to the port and 36% of the same are yet to be verified by the Company, due to which global netting is done without reconciliation towards the prefunding to agents and Vendor Reconciliation account, the consequential effect of the same on the Statement of Profit and Loss remains unascertainable.

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 which works out to approximately 6%. 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 PSUs and government organisations constitute more than 50% of the trade receivables. The Company had sent letters requesting balance confirmation to all major customers including PSUs. However, despite persistent follow up through letters, emails, personal visits and correspondence at highest levels, most of the debtors did not respond. The management does not expect any material impact on the Statement of Profit & Loss Account due to this.

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. About 64.3 % of the expenses have been verified and approved by the company and the balance is in process for FY 2013-14. 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 audited annual accounts are subject to review by the Comptroller & Auditor General of India under section 619 (4) of the Companies Act, 1956

9. 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: 27.05.2014