

**THE SHIPPING CORPORATION OF INDIA LTD.**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2011**

Amount in Rs.lakhs

SR NO	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2011 (Unaudited)	30.09.2011 (Unaudited)	31.12.2010 (Unaudited)	31.12.2011 (UNAUDITED)	31.12.2010 (UNAUDITED)	31.03.2011 (AUDITED)
1 a)	Net Sales/Income from Operations	96701	90,684	88893	280321	267829	3,54,342
b)	Other Operating Income	18044	11,740	2335	33310	6912	8,108
c)	Profit on Sale of Ships	17513	2,013	5749	20754	20098	20,098
	<b>Total Income</b>	<b>132258</b>	<b>104437</b>	<b>98977</b>	<b>334385</b>	<b>294839</b>	<b>382548</b>
2	Expenditure -						
a)	Increase/Decrease in Stock in Trade and Work in progress	NA	NA	NA	NA	NA	NA
b)	Consumption of Raw Materials	NA	NA	NA	NA	NA	NA
c)	Employee Cost (ashore & floating)	9777	11,250	10899	32071	35321	46,421
d)	Bunker	40819	37,653	21113	110516	57395	81,707
e)	Port dues	10222	10,231	8256	30697	21453	28,888
f)	Cargo Handling Expenses	11037	8,696	7397	28787	17784	22,168
g)	Repairs & Maintenance	7057	5,328	5586	17300	15143	21,186
h)	Charter Hire	10296	9,744	6273	27843	24749	34,005
i)	Provisions	233	412	224	961	952	1,653
j)	Depreciation	15797	14,513	12759	44557	33215	46,510
k)	Other Expenditure	13507	9,296	13027	32032	34119	47,338
l)	<b>Total</b>	<b>118745</b>	<b>107123</b>	<b>85534</b>	<b>324764</b>	<b>240131</b>	<b>329876</b>
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>13613</b>	<b>(2686)</b>	<b>11443</b>	<b>9621</b>	<b>64708</b>	<b>52672</b>
4 a)	Interest Income	4700	4,820	4640	14951	13451	19,141
b)	Other Income	99	334	314	539	340	288
c)	<b>Total</b>	<b>4799</b>	<b>5154</b>	<b>4954</b>	<b>15490</b>	<b>13791</b>	<b>19429</b>
5	<b>Profit before Interest and Exceptional Items(3+4)</b>	<b>18312</b>	<b>2488</b>	<b>16397</b>	<b>26111</b>	<b>88499</b>	<b>72101</b>
6	Interest Expense	10283	14,828	1841	27328	4397	6,437
7	<b>Profit after Interest but before Exceptional Items (5-6)</b>	<b>8029</b>	<b>(12160)</b>	<b>14556</b>	<b>(2217)</b>	<b>64102</b>	<b>65664</b>
8	Exceptional Items	-	0	0	0	0	-
9	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>8029</b>	<b>(12160)</b>	<b>14556</b>	<b>(2217)</b>	<b>64102</b>	<b>65664</b>
10	Tax Expense						
a)	Provision for Taxation	1700	1,900	2250	6100	6750	9,000
b)	Excess Provision Written Back	-1081	-	0	-1081	0	(71)
c)	<b>Total</b>	<b>619</b>	<b>1900</b>	<b>2250</b>	<b>5019</b>	<b>6750</b>	<b>8929</b>
11	<b>Net Profit from Ordinary Activities after Tax (9-10)</b>	<b>7410</b>	<b>(14060)</b>	<b>12306</b>	<b>(7236)</b>	<b>67352</b>	<b>56735</b>
12	Extra Ordinary Items						
13	<b>Net Profit/ (Loss) for the period (11-12)</b>	<b>7410</b>	<b>(14060)</b>	<b>12306</b>	<b>(7236)</b>	<b>67352</b>	<b>56735</b>
14	Paid Up Equity Share Capital (Face value Rs.10 each)	46,580	46,580	46580	46580	46580	46,580
15	Reserves excluding Revaluation Reserves						6,70,233
16	Earning per Share (in Rs.)						
a)	Basic and diluted EPS before Extraordinary Items	1.59	(3.02)	2.85	(1.55)	13.46	13.01
b)	Basic and diluted EPS after Extraordinary Items	1.59	(3.02)	2.85	(1.55)	13.46	13.01
17	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
18	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

NA indicates Not Applicable

Segment-wise Revenue, Results and Capital Employed				Amount Rs. In lakhs			
SR NO	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED 31.03.2011 (AUDITED)
		31.12.2011 (Unaudited)	30.09.2011 (Unaudited)	31.12.2010 (Unaudited)	2011 (UNAUDITED)	2010 (UNAUDITED)	
1	<b>Segment Revenue</b>						
	i. Liner Segment	37680	35,074	29715	99840	86344	114129
	ii. Bulk Segment	88872	64,670	62387	219739	192720	248382
	iii. Others	5706	4,693	4864	14806	15753	19605
	<b>Total</b>	<b>132258</b>	<b>1,04,437</b>	<b>96966</b>	<b>334385</b>	<b>294817</b>	<b>382116</b>
	Unallocated Revenue	99	334	325	539	362	720
	<b>Total</b>	<b>132357</b>	<b>1,04,771</b>	<b>97291</b>	<b>334924</b>	<b>295179</b>	<b>382836</b>
2	<b>Segment Results</b>						
	Profit/(Loss) before Tax and Interest						
	i. Liner Segment	(2,410)	(159)	964	(8,705)	8078	6246
	ii. Bulk Segment	13768	(4,373)	10181	12,406	39464	39800
	iii. Others	2303	1,764	2571	6018	9572	12004
	<b>Total</b>	<b>13661</b>	<b>(2768)</b>	<b>13696</b>	<b>9719</b>	<b>57114</b>	<b>58050</b>
	Less: Unallocated Expenditure (Net of Income)	49	(416)	1939	(441)	2066	5090
	Profit before Interest and Tax	13612	(2352)	11757	10180	55048	52960
	Less: Interest Expenses	10283	14,628	1841	27328	4397	6437
	Add: Interest Income	4700	4,820	4640	14951	13451	19141
	<b>Profit before Tax</b>	<b>8029</b>	<b>(12160)</b>	<b>14556</b>	<b>(2217)</b>	<b>64102</b>	<b>65664</b>
3	<b>Capital Employed</b>						
	i. Liner Segment	47373	44,118	70322	47373	70322	47819
	ii. Bulk Segment	847778	7,65,136	607433	847778	607433	672897
	iii. Others	24089	9,024	(10269)	24089	(10269)	(4682)
	<b>Total Capital Employed in Segments</b>	<b>919240</b>	<b>818278</b>	<b>667486</b>	<b>919240</b>	<b>667486</b>	<b>716034</b>
	Unallocable Capital Employed	212009	2,63,482	291445	212009	291445	293258
	<b>Total Capital Employed in Company</b>	<b>1131249</b>	<b>1081760</b>	<b>958931</b>	<b>1131249</b>	<b>958931</b>	<b>1009292</b>

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Notes:

1. The above results were reviewed by the Audit Committee in its meeting held on 13.02.2012 and approved by the Board of Directors on 14.02.2012.
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 Status of Investors' complaints for the quarter ended 31<sup>st</sup> December, 2011 is as under:  
Opening Balance -2, New-10, Disposal-12, Closing Balance -Nil
4. Out of the issue Proceeds of FPO amounting to ₹ 58245lakh (net of Issue Expenses), the Company has utilised an Amount of ₹ 11439 lakhs/₹ 12919 during the quarter/nine months ended 31<sup>st</sup> December, 2011. The utilisation of FPO proceeds till 31<sup>st</sup> March, 2011 is ₹45326 lakhs and ₹ 58245lakhs upto 31<sup>st</sup> December, 2011 which is as per object of the issue for part financing of capital expenditure on projects specified for utilisation.
5. The Corporation has with effect from 1<sup>st</sup> April 2011 changed the following accounting policies:
  - a) All foreign currency transactions are recorded at the exchange rate of the second last Friday of the preceding month published in Financial Times, London which were earlier recorded at the rate of the last Friday of the preceding month. As a result of this change, there is no material impact on profit for the quarter.
  - b) The value of stock of bunker is arrived at after charging consumption on daily "Moving Average Price" method against FIFO (First In First Out) method followed upto 31<sup>st</sup> March 2011. This has resulted in decrease in bunker consumption by ₹ 402 lakhs during the quarter ended 31<sup>st</sup> December, 2011 and decrease in bunker consumption by ₹345 lakhs during the nine months ended 31<sup>st</sup> December, 2011.
6. The company has gone live with an integrated ERP system w.e.f 1<sup>st</sup> March ,2011. The company has world wide operations in multiple currencies. Some teething problems with the new software are being faced which are not uncommon. These problems are being attended to on priority basis. The statutory auditors, in their limited review report for the quarter have brought out that;
  - a. "All the transactions in the functional software as uploaded by the Agents are incorporated in accounts without prima facie verification of its completeness, promptness and accuracy. Further, the scrutiny of physical documents received from the agents and required adjustments, if any have not been carried out during the period."

With respect to above, it is stated that the expenditure to be incurred by the agents are prefunded through Proforma Disbursement Account (PDA) after scrutiny of the prefunding claims. The final claims for the expenditure booked by the agent are received through Final Disbursement Account (FDA) which are verified after the physical documents are received from the agent. This process takes time due to the nature of the business.

Based on our past experience, the impact of the observation on the profit or loss for the quarter is not expected to be material.

- b. "Accuracy of Net Exchange Gain of Rs. 8069.72 lakh for the quarter and Rs. 23742.95 lakh for the nine months ended 31st December, 2011 in respect of advances to the Vendors/Agents and Liability/Provisions of expenses created their against, advances received from Customer, Customer Control accounts, recognised on revaluation as per Accounting Standard – 11 "The Effects of Changes in Foreign Exchange Rates" is not verifiable and effects thereof on the result is not ascertainable, wherein appropriate adjustments/settlement of Indian Rupees/Foreign Currencies balances have not been carried out prior to revaluation of such balances."

With respect to above, it is stated that a program has been devised in the functional software for matching of freight collectibles and collection. The same has been implemented in January – March 2012 quarter. The verification of the Final Disbursement Accounts (FDA) received from the agents are also expected to be completed in the January – March 2012 quarter. The Advances to Agents through PDAs will get adjusted on the authorisation of FDAs.

7. Other operating income includes the impact of errors in migrated data rectified amounting to ₹ Nil/ ₹ 3600 lakhs for the quarter/nine months ended 31<sup>st</sup> December, 2011 which has been booked as prior period income. The segment wise details of such prior period income is as follows:

Period	Bulk Segment	Liner Segment	Total Prior Period Income/(-) Expenses
Quarter ended 31 <sup>st</sup> December, 2011	Nil	Nil	Nil
Nine months ended 31 <sup>st</sup> December, 2011	1785 lakhs	1815 lakhs	3600 lakhs

8. The total foreign exchange loss on foreign currency loans taken for acquisition of ships is ₹ 46539 lakhs/ ₹ 90415lakhs for the quarter/nine months ended 31<sup>st</sup> December, 2011 Of this,
- ₹ 7844 lakhs/ ₹ 20943 lakhs has been charged as interest expenses in accordance with ASI 10 to AS – 16 "Borrowing Cost" for the quarter/nine months ended 31<sup>st</sup> December, 2011
  - ₹ 38695 lakhs/ ₹ 69472 lakhs has been capitalised to the cost of vessels for the quarter/nine months ended 31<sup>st</sup> December, 2011

Apart from the above, foreign exchange gain of ₹16860 lakhs/ ₹ 26457 lakhs for the quarter/nine months ended 31<sup>st</sup> December, 2011 has been included in "Other Operating income".

9. During the quarter ended 31<sup>st</sup> December, 2011, the Company took delivery of two Bulk Carriers M V Vishva Bandhan DWT 57196, M.V Vishva Prerna DWT 57161 and two AHTSV M.V SCI Ratna DWT 1983, M V SCI Pawan DWT 1994.
10. During the quarter ended 31<sup>st</sup> December, 2011, the Company sold seven Bulk Carriers M.V Kanpur DWT 47175, M V Hardwar DWT 47311, M V Mandakini DWT 47195, M V Varanasi DWT 47351, M V Uttarkashi DWT 47223, M V Rishikesh DWT 47315, M V Devprayag DWT 47349 and one chemical tanker M.T. Tirumalai DWT 33058.
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.



S. Hajara  
Chairman & Managing Director

Place: Mumbai  
Date: 14/02/2012


