

ESSAR SHIPPING LIMITED

Regd. Office: Administrative Bldg., Essar Refinery Complex, Okha Highway (SH-25), Taluka Khambalia, Dist. Jamnagar 361305
Email id: esl.secretarial@essar.com, website: www.essar.com, CIN:L61200GJ2010PLC060285

Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034
Statement of Standalone Audited Financial Results for the year ended 31st March, 2014.

PART I		₹ in crore				
Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.2014 (refer note no.8)	31.12.2013 (Unaudited)	31.03.2013 (refer note no.8)	31.03.2014 (Audited)	31.03.2013 (Audited)
1	a) Income from operations					
	Fleet operating and chartering earnings	185.96	181.83	354.52	870.55	1,461.48
	b) Other operating income including profit on sale of fleet (net)	0.83	1.57	0.29	3.12	26.84
	Total income from operations	186.79	183.40	354.81	873.67	1,488.32
2	Expenses					
	a) Direct operating expenses	114.57	111.15	241.97	504.99	931.41
	b) Dry docking	7.65	7.78	4.30	20.78	24.29
	c) Standing costs	16.76	15.04	16.34	62.55	60.56
	d) Employee benefits expense	31.23	28.85	32.70	113.92	110.90
	e) Depreciation (refer note no.4)	81.54	33.02	32.25	185.56	139.01
	f) Loss on sale of fixed assets (net)	1.36	18.89	-	20.25	-
	g) Other expenses	4.65	6.97	7.66	21.08	22.66
	Total expenses	257.76	221.70	335.22	929.13	1,288.83
3	(Loss)/ Profit from operation before other income, finance costs and exceptional item	(70.97)	(38.30)	19.59	(55.46)	199.49
4	Other income	33.67	25.17	20.98	152.72	67.92
5	(Loss)/ Profit before finance costs and exceptional item	(37.30)	(13.13)	40.57	97.26	267.41
6	Finance costs	85.56	78.23	74.01	322.93	307.26
7	(Loss)/ Profit before exceptional item	(122.86)	(91.36)	(33.44)	(225.67)	(39.85)
8	Exceptional item (refer note no.5)	5.44	-	-	5.44	(50.20)
9	(Loss)/ Profit before tax	(117.42)	(91.36)	(33.44)	(220.23)	(90.05)
10	Tax expenses	1.35	0.66	0.90	8.92	3.20
11	(Loss)/ Profit for the period /year	(118.77)	(92.02)	(34.34)	(229.15)	(93.25)
12	Paid-up equity share capital (face value of ₹10/- each)	205.23	205.23	205.23	205.23	205.23
13	Reserves				4,684.00	4,943.01
14	Earnings per share (EPS) (*not annualised)					
	(a) Basic (in ₹)	*(5.79)	*(4.49)	*(1.67)	(11.17)	(4.54)
	(b) Diluted (in ₹)	*(5.79)	*(4.49)	*(1.67)	(11.17)	(4.54)
15	Paid-up debt capital				700.00	700.00
16	Debenture redemption reserve				55.00	55.00
17	Debt service coverage ratio **				0.53	0.84
18	Interest service coverage ratio ***				0.88	1.32
	** DSCR= [Profit before finance costs and exceptional items+depreciation] / [Finance costs +principal repayments]					
	*** ISCR= [Profit before finance costs and exceptional items+depreciation] / Finance costs					
	- See accompanying notes to the financial results					
PART II						
Select information for the year ended 31st March, 2014.						
A PARTICULARS OF SHAREHOLDING						
1	Public shareholding					
	- Number of shares	51,306,942	51,306,942	33,434,191	51,306,942	33,434,191
	- Percentage of shareholding	25.00	25.00	16.29	25.00	16.29
2	Promoters and Promoter group shareholding					
	a) Pledged/Encumbered					
	- Number of shares	153,852,711	153,852,711	171,725,462	153,852,711	171,725,462
	- Percentage of shares to the total shareholding of promoter and promoter group	99.96	99.96	99.96	99.96	99.96
	- Percentage of shares to the total share capital of the Company	74.97	74.97	83.68	74.97	83.68
	b) Non-encumbered					
	- Number of shares	68,115	68,115	68,115	68,115	68,115
	- Percentage of shares to the total shareholding of promoter and promoter group	0.04	0.04	0.04	0.04	0.04
	- Percentage of shares to the total share capital of Company	0.03	0.03	0.03	0.03	0.03
B INVESTOR COMPLAINTS		Quarter ended 31.03.2014				
	Pending at the beginning of the quarter	-				
	Received during the quarter	7				
	Disposed off during the quarter	7				
	Remaining unresolved at the end of the quarter	-				



NOTES:

1 Statement of assets and liabilities as at 31st March, 2014

Particulars	₹ in crore	
	As at 31.03.2014 (Audited)	As at 31.03.2013 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	205.23	205.23
(b) Reserves and surplus	4,684.00	4,943.01
	4,889.23	5,148.24
Non-current liabilities		
(a) Long-term borrowings	3,276.56	3,185.67
(b) Other long term liabilities	9.00	9.00
(c) Long-term provisions	-	-
	3,285.56	3,194.67
Current liabilities		
(a) Short-term borrowings	156.75	135.72
(b) Trade payables	197.17	229.97
(c) Other current liabilities	512.53	364.28
(d) Short-term provisions	6.83	8.55
	873.28	738.52
TOTAL	9,048.07	9,081.43
ASSETS		
Non-current assets		
(a) Fixed assets		
Tangible assets	1,606.15	1,745.58
(b) Non-current investments (in Subsidiaries) (refer note no.6)	6,363.38	6,448.59
(c) Long-term loans and advances	604.79	477.14
(d) Other non-current assets	14.66	13.93
	8,588.98	8,685.24
Current assets		
(a) Current investments	0.10	0.10
(b) Inventories	22.72	37.31
(c) Trade receivables	53.66	61.14
(d) Cash and bank balances	33.74	15.93
(e) Short-term loans and advances	214.00	219.19
(f) Other current assets	134.87	62.52
	459.09	396.19
TOTAL	9,048.07	9,081.43

2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 20th May, 2014.

3 The Company has only one reportable business segment of fleet operating and chartering.

4 Pursuant to the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs for Accounting Standard 11, the Company has during the year capitalised net exchange loss of ₹ 115.64 crore on long term foreign currency borrowings relating to acquisition of depreciable assets and net exchange loss of ₹ 2.61 crore on long term monetary items has been transferred to "Foreign Currency Monetary Item Translation Difference Account". Depreciation includes ₹ 30.23 crore on account of prior periods adjustment.

5 During the year, the Company has hived off its Ligthorage business on Slump sale basis to a subsidiary company for a consideration of ₹ 21 crore and made a profit of ₹ 5.44 crore.

6 The carrying amount of investment in Essar Oilfield Services Limited, Mauritius, a wholly owned subsidiary of the Company, is Rs 4,748 crore as at March 31, 2014. Having regard to the changes in the off-shore drilling markets world wide and the expected impact of the same on the possible business scenarios applicable to the subsidiary, the management of the Company has initiated an exercise of assessing the carrying value of the said investment in terms of Accounting Standard (AS) 13, engaging independent valuers to assess the valuation of the subsidiary. Pending conclusion of the aforesaid exercise, no provision for diminution in the carrying value, if any, of the aforesaid investment has been recognised. The auditors have made observation that they are unable to comment on the carrying amount pending completion of the aforesaid exercise.

7 Tax expense includes tax on overseas dividend income and tonnage tax.

8 The figures for the quarter ended 31st March, 2014 and 31st March, 2013 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter of the relevant financial year.

9 The figures of the previous period(s) /year have been regrouped /reclassified wherever necessary.

For and on behalf of the Board

A. R. Ramakrishnan
A. R. Ramakrishnan
Managing Director



Place: Mumbai
Date: 20th May, 2014

ESSAR SHIPPING LIMITED

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 Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034
 Statement of Consolidated Audited Financial Results for the year ended 31st March, 2014.

PART I		₹ in crore				
Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.2014 (refer note no.9)	31.12.2013 (Unaudited)	31.03.2013 (refer note no.9)	31.03.2014 (Audited)	31.03.2013 (Audited)
1	a) Income from operations					
	i) Fleet operating and chartering	212.61	209.26	364.31	967.09	1,531.55
	ii) Logistics services	125.15	33.62	221.85	230.59	1,011.49
	iii) Oilfields services	141.24	175.87	141.25	657.79	633.60
	b) Other operating income including profit on sale of fleet (net)	0.83	1.21	1.67	3.07	32.55
	Total income from operations	479.83	419.96	729.08	1,858.54	3,209.19
2	Expenses					
	a) Direct operating expenses	262.49	156.76	461.58	798.28	1,912.44
	b) Dry docking	7.65	7.78	4.30	20.78	24.30
	c) Standing costs	55.04	46.22	52.77	185.08	203.70
	d) Employee benefits expense	59.72	59.66	63.34	220.92	222.82
	e) Depreciation (refer note no.5)	155.62	107.97	69.71	477.88	369.31
	f) Loss on sale of fixed assets (net)	0.40	19.46	-	19.86	-
	g) Other expenses	43.50	17.35	27.15	83.30	69.76
	Total expenses	584.42	415.20	678.85	1,806.10	2,802.33
3	(Loss) / Profit from operations before other income, finance costs and exceptional item	(104.59)	4.76	50.23	52.44	406.86
4	Other income	39.75	32.81	53.21	148.05	88.89
5	(Loss) / Profit before finance costs and exceptional item	(64.84)	37.57	103.44	200.49	495.75
6	Finance costs	94.89	117.49	93.01	399.37	365.72
7	(Loss) / Profit before exceptional item	(159.73)	(79.92)	10.43	(198.88)	130.03
8	Exceptional item	-	-	-	-	(50.20)
9	(Loss) / Profit before tax	(159.73)	(79.92)	10.43	(198.88)	79.83
10	Tax expenses	6.01	6.32	10.38	44.89	44.03
11	(Loss) / Profit for the period / year before share of profit of associates	(165.74)	(86.24)	0.05	(243.77)	35.80
12	Share of profit of associates	0.05	-	-	0.05	-
13	(Loss) / Profit for the period / year	(165.69)	(86.24)	0.05	(243.72)	35.80
14	Paid-up equity share capital (face value of ₹10/- each)	205.23	205.23	205.23	205.23	205.23
15	Reserves				6,884.26	6,562.91
16	Earnings per share (EPS) (*not annualised)					
	(a) Basic (in ₹)	*(8.07)	*(4.20)	*0.00	(11.88)	1.74
	(b) Diluted (in ₹)	*(8.07)	*(4.20)	*0.00	(11.88)	1.74
17	Paid-up debt capital				700.00	700.00
18	Debenture redemption reserve				55.00	55.00
PART II						
Select information for the year ended 31st March, 2014.						
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	51,306,942	51,306,942	33,434,191	51,306,942	33,434,191
	- Percentage of shareholding	25.00	25.00	16.29	25.00	16.29
2	Promoters and Promoter group shareholding					
	a) Pledged /Encumbered					
	- Number of shares	153,852,711	153,852,711	171,725,462	153,852,711	171,725,462
	- Percentage of shares to the total shareholding of promoter and promoter group	99.96	99.96	99.96	99.96	99.96
	- Percentage of shares to the total share capital of the Company	74.97	74.97	83.68	74.97	83.68
	b) Non-encumbered					
	- Number of shares	68,115	68,115	68,115	68,115	68,115
	- Percentage of shares to the total shareholding of promoter and promoter group	0.04	0.04	0.04	0.04	0.04
	- Percentage of shares to the total share capital of Company	0.03	0.03	0.03	0.03	0.03
B	INVESTOR COMPLAINTS	Quarter ended 31.03.2014				
	Pending at the beginning of the quarter	-				
	Received during the quarter	7				
	Disposed off during the quarter	7				
	Remaining unresolved at the end of the quarter	-				



NOTES:

Statement of consolidated assets and liabilities as at 31st March, 2014

Particulars	₹ in crore	
	As at 31.03.2014 (Audited)	As at 31.03.2013 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	205.23	205.23
(b) Reserves and surplus	6,884.26	6,562.91
	7,089.49	6,768.14
Non-current liabilities		
(a) Long-term borrowings	4,383.11	4,668.25
(b) Deferred tax liabilities (Net)	23.41	28.11
(c) Other long term liabilities	15.20	15.42
(d) Long-term provisions	19.91	-
	4,441.63	4,711.78
Current liabilities		
(a) Short-term borrowings	211.75	175.24
(b) Trade payables	629.12	746.45
(c) Other current liabilities	1,536.63	906.97
(d) Short-term provisions	134.51	115.51
	2,512.01	1,944.17
TOTAL	14,043.13	13,424.09
ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	4,318.73	4,403.55
(ii) Capital work-in-progress	227.68	1,736.28
(b) Goodwill on consolidation	5,498.19	4,976.28
(c) Non-current investments*	62.60	*0.00
(d) Long-term loans and advances	179.29	233.08
(e) Other non-current assets	30.39	35.52
	10,316.88	11,384.71
Current assets		
(a) Current investments	0.10	0.10
(b) Inventories	165.26	152.82
(c) Trade receivables	340.41	396.14
(d) Cash and bank balances	92.21	67.81
(e) Short-term loans and advances	1,204.32	1,319.54
(f) Other current assets	1,923.95	102.97
	3,726.25	2,039.38
(* amount less than ₹ 1 lakh)		
TOTAL	14,043.13	13,424.09

- 2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 20th May, 2014.
- 3 The Consolidated financial results include the results of two Indian subsidiaries and three overseas subsidiaries. The operations includes fleet operating and chartering, logistics services and oilfields services. During the quarter, Varada Drilling One Pte. Ltd. and Varada Drilling Two Pte. Ltd. , became associates of the Company.
- 4 The Company has reduced its logistics services operations and hence the financials of the current period/ year are not fully comparable with the previous periods / year.
- 5 Pursuant to the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs for Accounting Standard 11, the Company has during the year capitalised net exchange loss of ₹ 115.64 crore on long term foreign currency borrowings relating to acquisition of depreciable assets and transferred net exchange loss of ₹ 2.61 crore on other long term foreign currency monetary items to "Foreign Currency Monetary Item Translation Difference Account". Depreciation includes ₹ 30.23 crore on account of prior period adjustments.
- 6 The Goodwill on consolidation in the financial statements of the group (carrying amount of Rs. 5,492.88 crore as at March 31, 2014) pertains to the Oilfields Services Business. Having regard to the changes in the off-shore drilling markets worldwide and the expected impact of the same on the possible business scenarios applicable to the group's Oilfields Services Business, the Management of the Company has initiated an exercise of assessing the carrying amount of the goodwill in terms of Accounting Standard (AS) 28, Impairment of Assets, engaging independent valuers to assess the carrying amount of the Oilfields Services Business. Pending conclusion of the aforesaid exercise, no provision for impairment of the goodwill, if any, has been recognised. The auditors have made observation that they are unable to comment on the carrying amount pending completion of the aforesaid exercise.
- 7 Tax expense for the period/year includes income tax , tonnage tax and deferred tax.
- 8 The figures of the previous period(s) / year have been regrouped /reclassified wherever necessary.
- 9 The figures for the quarter ended 31st March, 2014 and 31st March, 2013 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter of the relevant financial year.
- 10 As per Clause 41 of the Listing Agreement, the standalone financials are available on the Company's website: www.essar.com

For and on behalf of the Board

Place: Mumbai
Date: 20th May, 2014A. R. Ramakrishnan
Managing Director

ESSAR SHIPPING LIMITED

Audited consolidated segment wise Revenue, Results and Capital employed for the year ended 31st March, 2014

Particulars	₹ in crore				
	Quarter ended			Year ended	
	31.03.2014 (refer note no.9)	31.12.2013 (Unaudited)	31.03.2013 (refer note no.9)	31.03.2014 (Audited)	31.03.2013 (Audited)
Segment revenue					
Operating Income					
Fleet operating and chartering	231.98	211.66	370.28	989.73	1,576.81
Logistics services	125.20	33.75	222.94	230.77	1,014.43
Oilfields services	155.08	189.81	151.82	713.63	676.35
Total	512.26	435.22	745.04	1,934.13	3,267.59
Less : Inter segment revenue	(32.43)	(15.26)	(15.96)	(75.59)	(58.40)
Net operating income	479.83	419.96	729.08	1,858.54	3,209.19
Segment results					
Fleet operating and chartering	(78.23)	(36.46)	16.10	(65.74)	167.40
Logistics services	(14.70)	(1.55)	(3.65)	(14.51)	24.54
Oilfields services	(11.66)	42.77	37.78	132.68	214.92
Profit before other income, finance costs and exceptional item	(104.59)	4.76	50.23	52.44	406.86
Other income					
Add: Other income	39.75	32.81	53.21	148.05	88.89
Less: Unallocable interest and finance costs	(94.89)	(117.49)	(93.01)	(399.37)	(365.72)
(Loss) / Profit before exceptional item	(159.73)	(79.92)	10.43	(198.88)	130.03
Less: Exceptional item	-	-	-	-	(50.20)
(Loss) / Profit before tax	(159.73)	(79.92)	10.43	(198.88)	79.83
Less: Tax expense	(6.01)	(6.32)	(10.38)	(44.89)	(44.03)
(Loss)/ Profit for the period / year before share of associates	(165.74)	(86.24)	0.05	(243.77)	35.80
Share of profit of associate	0.05	-	-	0.05	-
(Loss) / Profit for the period / year	(165.69)	(86.24)	0.05	(243.72)	35.80
Capital employed (segment assets - segment liabilities)					
Fleet operating and chartering	1,752.83	2,010.64	2,057.20	1,752.83	2,057.20
Logistics services	23.56	31.44	28.33	23.56	28.33
Oilfields services	9,796.85	10,093.25	9,060.32	9,796.85	9,060.32
Unallocated	1,140.96	1,029.33	917.77	1,140.96	917.77
Total	12,714.20	13,164.66	12,063.62	12,714.20	12,063.62

For and on behalf of the Board

Place: Mumbai
Date: 20th May, 2014



A. R. Ramakrishnan
 Managing Director