

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

Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034
Statement of Consolidated Unaudited Financial Results for the quarter ended 30th September, 2013.

PART I		₹ in crore					
Sl.No.	Particulars	Unaudited quarter ended			Unaudited half year ended		Audited year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1	a) Income from operations						
	i) Fleet operating and chartering	251.51	293.71	341.67	545.22	798.34	1,531.55
	ii) Logistics services	60.95	10.87	260.20	71.82	548.79	1,011.49
	iii) Oilfields services	177.80	162.88	158.46	340.68	326.61	633.60
	b) Other operating income including profit on sale of fleet (net)	1.26	4.79	22.08	6.05	24.51	32.55
	Total income from operations	491.52	472.25	782.41	963.77	1,698.25	3,209.19
2	Expenses						
	a) Direct operating expenses	196.09	182.94	455.02	379.03	995.19	1,912.44
	b) Dry docking	1.16	4.19	2.02	5.35	21.11	24.30
	c) Standing costs	39.70	44.12	53.76	83.82	101.27	203.70
	d) Employee benefits expense	54.60	46.94	56.72	101.54	106.91	222.82
	e) Depreciation (refer note no.6)	111.43	102.86	98.59	214.29	199.26	369.31
	f) Other expenses	11.55	15.92	12.25	27.47	28.41	69.76
	Total expenses	414.53	396.97	678.36	811.50	1,452.15	2,802.33
3	Profit from operations before other income, finance costs and exceptional item	76.99	75.28	104.05	152.27	246.10	406.86
4	Other income (refer note no.4)	24.56	50.93	15.54	75.49	24.88	88.89
5	Profit before finance costs and exceptional item	101.55	126.21	119.59	227.76	270.98	495.75
6	Finance costs	97.04	89.95	92.86	186.99	181.26	365.72
7	Profit before exceptional item	4.51	36.26	26.73	40.77	89.72	130.03
8	Exceptional item	-	-	(50.20)	-	(50.20)	(50.20)
9	Profit / (Loss) before tax	4.51	36.26	(23.47)	40.77	39.52	79.83
10	Tax expense	15.71	16.85	12.52	32.56	21.61	44.03
11	(Loss) / Profit for the period / year	(11.20)	19.41	(35.99)	8.21	17.91	35.80
12	Paid-up equity share capital (face value of ₹10/- each)	205.23	205.23	205.23	205.23	205.23	205.23
13	Reserves						6,562.91
14	Earnings per share (EPS) (*not annualised)						
	(a) Basic (in ₹)	*(0.55)	*0.95	*(1.75)	*0.40	*0.87	1.74
	(b) Diluted (in ₹)	*(0.55)	*0.84	*(1.75)	*0.40	*0.87	1.74
PART II							
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	33,434,191
	- Percentage of shareholding	25.00	25.00	16.29	25.00	16.29	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	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	99.96
	- Percentage of shares to the total share capital of the Company	74.97	74.97	83.68	74.97	83.68	83.68
	b) Non-encumbered						
	- Number of shares	68,115	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	0.04
	- Percentage of shares to the total share capital of Company	0.03	0.03	0.03	0.03	0.03	0.03
B	INVESTOR COMPLAINTS	Quarter ended 30.09.2013					
	Pending at the beginning of the quarter	-					
	Received during the quarter	22					
	Disposed off during the quarter	22					
	Remaining unresolved at the end of the quarter	-					



NOTES:		
1	Statement of consolidated assets and liabilities as at 30th September, 2013	
		₹ in crore
Particulars	As at 30.09.2013 (Unaudited)	As at 31.03.2013 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	205.23	205.23
(b) Reserves and surplus	7,406.58	6,562.91
	7,611.81	6,768.14
Non-current liabilities		
(a) Long-term borrowings	5,228.36	4,668.25
(b) Deferred tax liabilities (Net)	26.25	28.11
(c) Other long term liabilities	15.31	15.42
	5,269.92	4,711.78
Current liabilities		
(a) Short-term borrowings	110.31	175.24
(b) Trade payables	731.15	746.45
(c) Other current liabilities	995.28	906.97
(d) Short-term provisions	145.85	115.51
	1,982.59	1,944.17
	14,864.32	13,424.09
TOTAL		
ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	4,731.10	4,403.55
(ii) Capital work-in-progress	1,804.15	1,736.28
(b) Goodwill on consolidation	5,742.89	4,976.28
(c) Non-current investments*	*0.00	*0.00
(d) Long-term loans and advances	169.96	233.08
(e) Other non-current assets	33.74	35.52
	12,481.84	11,384.71
Current assets		
(a) Current investments	0.10	0.10
(b) Inventories	168.63	152.82
(c) Trade receivables	382.23	396.14
(d) Cash and bank balances	90.17	67.81
(e) Short-term loans and advances	1,492.29	1,319.54
(f) Other current assets	249.06	102.97
	2,382.48	2,039.38
(* amount less than ₹ 1 lakh)		
	14,864.32	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 24th October, 2013.	
3	The Consolidated financial results include the results of two Indian subsidiaries and three overseas subsidiaries.	
4	Other income for the half year ended includes foreign exchange gain of ₹ 39.41 crore on redemption of preference shares held by the Company in an overseas subsidiary less other foreign exchange loss of ₹ 25.52 crore.	
5	The Company has reduced its logistics services operations and hence the financials of the current period are not fully comparable with the previous periods.	
6	Pursuant to the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs for Accounting Standard 11, the Company has during the period ended 30th Sep.2013 capitalised net exchange loss of ₹ 166.95 crore on long term foreign currency borrowings relating to acquisition of depreciable assets and transferred net exchange loss of ₹ 12.54 crore on other long term foreign currency monetary items to "Foreign Currency Monetary Item Translation Difference Account".	
7	The company will assess the carrying value of certain land rigs and valuation adjustments, if any, will be assessed in the annual accounts.	
8	In compliance with directive of Securities and Exchange Board of India (SEBI), the promoter group shareholding has been reduced to 75%	
9	Tax expense for the period includes income tax, tonnage tax and deferred tax.	
10	The figures of the previous period(s) / year have been regrouped /reclassified wherever necessary.	
11	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

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

Place: Mumbai
Date: 24th October, 2013



Consolidated segment information for the quarter ended 30th September 2013

Particulars	₹ in crore					
	Unaudited quarter ended			Unaudited half year ended		Audited Year ended
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
Segment revenue						
Operating Income						
Fleet operating and chartering	252.40	298.71	366.70	551.11	829.26	1,576.81
Logistics services	60.95	10.87	261.76	71.82	550.57	1,014.43
Oilfields services	195.28	173.46	178.86	368.74	347.03	676.35
Total	508.63	483.04	807.32	991.67	1,726.86	3,267.59
Less: Inter segment revenue	(17.11)	(10.79)	(24.91)	(27.90)	(28.61)	(58.40)
Net operating income	491.52	472.25	782.41	963.77	1,698.25	3,209.19
Segment results						
Fleet operating and chartering	16.06	32.89	37.20	48.95	108.86	167.40
Logistics services	5.72	(3.98)	12.45	1.74	16.74	24.54
Oilfields services	55.21	46.37	54.40	101.58	120.50	214.92
Profit before other income, finance cost and exceptional item	76.99	75.28	104.05	152.27	246.10	406.86
Other income						
Add: Other income	24.56	50.93	15.54	75.49	24.88	88.89
Less: Unallocable interest and finance costs	(97.04)	(89.95)	(92.86)	(186.99)	(181.26)	(365.72)
Profit before exceptional item	4.51	36.26	26.73	40.77	89.72	130.03
Less: Exceptional item	-	-	(50.20)	-	(50.20)	(50.20)
Profit / Loss before tax	4.51	36.26	(23.47)	40.77	39.52	79.83
Less: Income tax	(15.71)	(16.85)	(12.52)	(32.56)	(21.61)	(44.03)
Loss / Profit for the period /year	(11.20)	19.41	(35.99)	8.21	17.91	35.80
Capital employed (segment assets - segment current liabilities)						
Fleet operating and chartering	2,285.13	2,251.13	2,120.64	2,285.13	2,120.64	2,057.20
Logistics services	(18.79)	1.65	225.20	(18.79)	225.20	28.33
Oilfields services	10,213.81	9,788.38	8,069.97	10,213.81	8,069.97	9,060.32
Unallocated	1,043.97	1,009.42	776.54	1,043.97	776.54	917.77
Total	13,524.12	13,050.58	11,192.35	13,524.12	11,192.35	12,063.62

For and on behalf of the Board

A. R. Ramakrishnan

A. R. Ramakrishnan
Managing Director

Place: Mumbai
Date: 24th October, 2013



INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF ESSAR SHIPPING LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ESSAR SHIPPING LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") for the quarter and six months ended September 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following subsidiaries:
 - a. Essar Logistics Limited
 - b. Essar Oilfields Services Limited
 - c. Essar Oilfield Services India Limited
 - d. Energy Transportation International Limited
 - e. Energy II Limited
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Deloitte Haskins & Sells

- Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and six months ended September 30, 2013, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No.117365W)



Samir R Shah
Partner

Membership No. 101708

MUMBAI, October 24, 2013

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

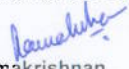
Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034

Statement of Standalone Unaudited Financial Results for the quarter ended 30th September, 2013.

PART I		₹ in crore					
Sl.No.	Particulars	Unaudited quarter ended			Unaudited half year ended		Audited year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1	a) Income from operations	224.94	277.82	330.39	502.76	749.56	1,461.48
	Fleet operating and chartering earnings						
	b) Other operating income including profit on sale of fleet (net)	0.37	0.35	20.72	0.72	22.64	26.84
	Total income from operations	225.31	278.17	351.11	503.48	772.20	1,488.32
2	Expenses						
	a) Direct operating expenses	121.66	157.61	210.81	279.27	460.88	931.41
	b) Dry docking	1.16	4.19	2.02	5.35	21.11	24.29
	c) Standing costs	14.85	15.90	17.74	30.75	30.85	60.56
	d) Employee benefits expense	28.37	25.47	28.07	53.84	54.08	110.90
	e) Depreciation (refer note no.5)	36.46	34.54	34.52	71.00	71.57	139.01
	f) Other expenses	5.38	4.08	3.25	9.46	9.87	22.66
	Total expenses	207.88	241.79	296.41	449.67	648.36	1,288.83
3	Profit from operation before other income, finance costs and exceptional item	17.43	36.38	54.70	53.81	123.84	199.49
4	Other income (refer note no.4)	23.72	70.16	20.40	93.88	34.23	67.92
5	Profit before finance costs and exceptional item	41.15	106.54	75.10	147.69	158.07	267.41
6	Finance costs	81.38	77.76	78.59	159.14	154.78	307.26
7	(Loss)/ Profit before exceptional item	(40.23)	28.78	(3.49)	(11.45)	3.29	(39.85)
8	Exceptional item	-	-	(50.20)	-	(50.20)	(50.20)
9	(Loss)/ Profit before tax	(40.23)	28.78	(53.69)	(11.45)	(46.91)	(90.05)
10	Tax expense	1.23	5.68	1.00	6.91	1.56	3.20
11	(Loss)/ Profit for the period /year	(41.46)	23.10	(54.69)	(18.36)	(48.47)	(93.25)
12	Paid-up equity share capital (face value of ₹10/- each)	205.23	205.23	205.23	205.23	205.23	205.23
13	Reserves						4,943.01
14	Earnings per share (EPS) (*not annualised)						
	(a) Basic (in ₹)	*(2.02)	*1.13	*(2.66)	*(0.89)	*(2.36)	(4.54)
	(b) Diluted (in ₹)	*(2.02)	*1.13	*(2.66)	*(0.89)	*(2.36)	(4.54)
15	Paid-up debt capital				700.00	700.00	700.00
16	Debenture redemption reserve				55.00	55.00	55.00
17	Debt service coverage ratio **				0.87	1.01	0.84
18	Interest service coverage ratio ***				1.37	1.48	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						
PART II							
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	33,434,191
	- Percentage of shareholding	25.00	25.00	16.29	25.00	16.29	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	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	99.96
	- Percentage of shares to the total share capital of the Company	74.97	74.97	83.68	74.97	83.68	83.68
	b) Non-encumbered						
	- Number of shares	68,115	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	0.04
	- Percentage of shares to the total share capital of Company	0.03	0.03	0.03	0.03	0.03	0.03
B	INVESTOR COMPLAINTS	Quarter ended 30.09.2013					
	Pending at the beginning of the quarter	-					
	Received during the quarter	22					
	Disposed off during the quarter	22					
	Remaining unresolved at the end of the quarter	-					



NOTES:

1 Statement of assets and liabilities as at 30th September, 2013		
Particulars	₹ in crore	
	As at 30.09.2013 (Unaudited)	As at 31.03.2013 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	205.23	205.23
(b) Reserves and surplus	4,881.80	4,943.01
	5,087.03	5,148.24
Non-current liabilities		
(a) Long-term borrowings	3,528.32	3,185.67
(b) Other long term liabilities	9.00	9.00
	3,537.32	3,194.67
Current liabilities		
(a) Short-term borrowings	74.20	135.72
(b) Trade payables	263.11	229.97
(c) Other current liabilities	489.97	364.28
(d) Short-term provisions	6.82	8.55
	834.10	738.52
TOTAL	9,458.45	9,081.43
ASSETS		
Non-current assets		
(a) Fixed assets		
Tangible assets	1,855.32	1,745.58
(b) Non-current investments (in Subsidiaries)	6,435.77	6,448.59
(c) Long-term loans and advances	599.51	477.14
(d) Other non-current assets	12.55	13.93
	8,903.15	8,685.24
Current assets		
(a) Current investments	0.10	0.10
(b) Inventories	32.77	37.31
(c) Trade receivables	119.06	61.14
(d) Cash and bank balances	15.43	15.93
(e) Short-term loans and advances	267.36	219.19
(f) Other current assets	120.58	62.52
	555.30	396.19
TOTAL	9,458.45	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 24th October, 2013.	
3	The Company has only one reportable business segment of fleet operating and chartering.	
4	Other income for the half year ended includes a) dividend from wholly owned overseas subsidiary of ₹ 31.39 crore and b) foreign exchange gain of ₹ 39.41 crore on redemption of preference shares held by the Company in an overseas subsidiary less other foreign exchange loss of ₹ 25.23 crore.	
5	Pursuant to the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs for Accounting Standard 11, the Company has during half year ended 30th September, 2013 capitalised net exchange loss of ₹ 166.95 crore on long term foreign currency borrowings relating to acquisition of depreciable assets and net exchange loss of ₹ 12.54 crore on long term monetary items has been transferred to "Foreign Currency Monetary Item Translation Difference Account".	
6	In compliance with directive of Securities and Exchange Board of India (SEBI), the promoter group shareholding has been reduced to 75%	
7	Tax expense includes tax on overseas dividend income and tonnage tax.	
8	The figures of the previous period(s) /year have been regrouped /reclassified wherever necessary.	
For and on behalf of the Board		
 A. R. Ramakrishnan Managing Director		
Place: Mumbai		
Date: 24th October, 2013		



INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF ESSAR SHIPPING LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ESSAR SHIPPING LIMITED** ("the Company") for the quarter and six months ended September 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and six months ended September 30, 2013 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No.117365W)



Samir R Shah
Partner

Membership No. 101708

MUMBAI, October 24, 2013