

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 and nine months ended 31st December, 2013.

PART I		₹ in crore					
Sl.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2013 (Unaudited)	30.09.2013 (Unaudited)	31.12.2012 (Unaudited)	31.12.2013 (Unaudited)	31.12.2012 (Unaudited)	31.03.2013 (Audited)
1	a) Income from operations						
	Fleet operating and chartering earnings	181.83	224.94	357.40	684.59	1,106.96	1,461.48
	b) Other operating income including profit on sale of fleet (net)	1.57	0.37	3.91	2.29	26.55	26.84
	Total income from operations	183.40	225.31	361.31	686.88	1,133.51	1,488.32
2	Expenses						
	a) Direct operating expenses	111.15	121.66	228.56	390.42	689.44	931.41
	b) Dry docking	7.78	1.16	-	13.13	19.99	24.29
	c) Standing costs	15.04	14.85	12.25	45.79	44.22	60.56
	d) Employee benefits expense	28.85	28.37	24.12	82.69	78.20	110.90
	e) Depreciation (refer note no.3)	33.02	36.46	35.19	104.02	106.76	139.01
	f) Loss on sale of fixed assets (net)	18.89	-	-	18.89	-	-
	g) Other expenses	6.97	5.38	5.14	16.43	15.01	22.66
	Total expenses	221.70	207.88	305.26	671.37	953.62	1,288.83
3	(Loss)/ Profit from operation before other income, finance costs and exceptional item	(38.30)	17.43	56.05	15.51	179.89	199.49
4	Other income	25.17	23.72	12.71	119.05	46.94	67.92
5	(Loss)/ Profit before finance costs and exceptional item	(13.13)	41.15	68.76	134.56	226.83	267.41
6	Finance costs	78.23	81.38	78.47	237.37	233.25	307.26
7	(Loss)/ Profit before exceptional item	(91.36)	(40.23)	(9.71)	(102.81)	(6.42)	(39.85)
8	Exceptional item	-	-	-	-	(50.20)	(50.20)
9	(Loss)/ Profit before tax	(91.36)	(40.23)	(9.71)	(102.81)	(56.62)	(90.05)
10	Tax expense	0.66	1.23	0.74	7.57	2.30	3.20
11	(Loss)/ Profit for the period /year	(92.02)	(41.46)	(10.45)	(110.38)	(58.92)	(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 ₹)	*(4.49)	*(2.02)	*(0.51)	*(5.38)	*(2.87)	(4.54)
	(b) Diluted (in ₹)	*(4.49)	*(2.02)	*(0.51)	*(5.38)	*(2.87)	(4.54)
	See accompanying notes to the financial results						
PART II							
Select information for the quarter and nine months ended 31st December, 2013.							
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 31.12.2013					
	Pending at the beginning of the quarter	-					
	Received during the quarter	9					
	Disposed off during the quarter	9					
	Remaining unresolved at the end of the quarter	-					



NOTES:

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 13th February, 2014.
- 2 The Company has only one reportable business segment of fleet operating and chartering.
- 3 Pursuant to the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs for Accounting Standard 11, the Company has during nine months ended 31st December, 2013 capitalised net exchange loss of ₹ 147.83 crore on long term foreign currency borrowings relating to acquisition of depreciable assets and net exchange loss of ₹ 9.26 crore on long term monetary items has been transferred to "Foreign Currency Monetary Item Translation Difference Account".
- 4 The Company is in the process of assessing the carrying amount of its investment of Rs. 4,748 crore in the equity shares of Essar Oilfields Services Limited, a wholly owned subsidiary, having regard to the current external economic environment, changes in the offshore drilling markets worldwide and changes in business forecasts. Consequential effects, if any, will be recognized in the annual financial statements for the year ending 31st March 2014.
- 5 Tax expense includes tax on overseas dividend income and tonnage tax.
- 6 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: 13th February, 2014



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 nine months ended December 31, 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is invited to note 4 of the Statement regarding assessment of the carrying amount of the investment of Rs 4,748 crores in equity shares of Essar Oilfields Services Limited, a wholly owned subsidiary, as at December 31, 2013. We have been informed that the Company's Management is in the process of assessing 'other than temporary' decline, if any, in the value of the said investment based on a valuation exercise being undertaken by an external valuer engaged by the Company's Management having regard to the factors described in the note and the consequential effects, if any, will be recognised in the annual financial statements for the year ending March 31, 2014. Pending completion of such assessment by the Company's Management, we are unable to comment on the adjustments, if any, to the carrying amount of the said investment that may be required to be made.
4. Based on our review conducted as stated above, except for the possible effect of the matter described in paragraph 3 above which has not been determined by the Company's Management at this stage, 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 September 13, 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

5. 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 nine months ended December 31, 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, February 13, 2014

ESSAR SHIPPING LIMITED

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

Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December, 2013.

PART I		₹ in crore					
Sl.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2013 (Unaudited)	30.09.2013 (Unaudited)	31.12.2012 (Unaudited)	31.12.2013 (Unaudited)	31.12.2012 (Unaudited)	31.03.2013 (Audited)
1	a) Income from operations						
	i) Fleet operating and chartering	209.26	251.51	368.90	754.48	1,167.24	1,531.55
	ii) Logistics services	33.62	60.95	240.85	105.44	789.64	1,011.49
	iii) Oilfields services	175.87	177.80	165.74	516.55	492.35	633.60
	b) Other operating income including profit on sale of fleet (net)	1.21	1.26	6.37	7.26	30.88	32.55
	Total income from operations	419.96	491.52	781.86	1,383.73	2,480.11	3,209.19
2	Expenses						
	a) Direct operating expenses	156.76	196.09	455.67	535.79	1,450.86	1,912.44
	b) Dry docking	7.78	1.16	-	13.13	20.00	24.30
	c) Standing costs	46.22	39.70	48.55	130.04	150.93	203.70
	d) Employee benefits expense	59.66	54.60	52.57	161.20	159.48	222.82
	e) Depreciation (refer note no.4)	107.97	111.43	100.34	322.26	299.60	369.31
	f) Loss on sale of fixed assets (net)	19.46	-	-	19.46	-	-
	g) Other expenses	17.35	11.55	14.19	44.82	42.61	69.76
	Total expenses	415.20	414.53	671.32	1,226.70	2,123.48	2,802.33
3	Profit from operations before other income, finance costs and exceptional item	4.76	76.99	110.54	157.03	356.63	406.86
4	Other income	32.81	24.56	10.80	108.30	35.68	88.89
5	Profit before finance costs and exceptional item	37.57	101.55	121.34	265.33	392.31	495.75
6	Finance costs	117.49	97.04	91.45	304.48	272.71	365.72
7	(Loss)/ Profit before exceptional item	(79.92)	4.51	29.89	(39.15)	119.60	130.03
8	Exceptional item	-	-	-	-	(50.20)	(50.20)
9	(Loss)/ Profit before tax	(79.92)	4.51	29.89	(39.15)	69.40	79.83
10	Tax expense	6.32	15.71	12.04	38.88	33.65	44.03
11	(Loss) / Profit for the period / year	(86.24)	(11.20)	17.85	(78.03)	35.75	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 ₹)	*(4.20)	*(0.55)	*0.87	*(3.80)	*1.74	1.74
	(b) Diluted (in ₹)	*(4.20)	*(0.55)	*0.77	*(3.80)	*1.74	1.74
	See accompanying notes to the financial results						
PART II							
Select information for the quarter and nine months ended 31st December, 2013.							
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 31.12.2013					
	Pending at the beginning of the quarter	-					
	Received during the quarter	9					
	Disposed off during the quarter	9					
	Remaining unresolved at the end of the quarter	-					



NOTES:

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 13th February,2014.
- 2 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.
- 3 The Company has reduced its logistics services operations and hence the financials of the current period are not fully comparable with the previous periods.
- 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 period ended 31st December,2013 capitalised net exchange loss of ₹ 147.83 crore on long term foreign currency borrowings relating to acquisition of depreciable assets and transferred net exchange loss of ₹ 9.26 crore on other long term foreign currency monetary items to "Foreign Currency Monetary Item Translation Difference Account".
- 5 The Company is in the process of assessing the carrying amount of the Group's assets (including goodwill of Rs. 5,657 crore as at 31st Decemeber,2013), relating to Oilfields Services Business, having regard to the current external economic environment, changes in the offshore drilling markets worldwide and changes in business forecasts. Consequential effects, if any, will be recognized in the annual consolidated financial statements for the year ending 31st March 2014.
- 6 Tax expense for the period includes income tax , tonnage tax and deferred tax.
- 7 The figures of the previous period(s) / year have been regrouped /reclassified wherever necessary.
- 8 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
Managing DirectorPlace: Mumbai
Date: 13th February, 2014

Consolidated unaudited segment wise Revenue, Results and Capital employed for the quarter and nine months ended 31st December 2013

Particulars	₹ in crore					
	Quarter ended			Nine months ended		Year ended
	31.12.2013 (Unaudited)	30.09.2013 (Unaudited)	31.12.2012 (Unaudited)	31.12.2013 (Unaudited)	31.12.2012 (Unaudited)	31.03.2013 (Audited)
Segment revenue						
Operating Income						
Fleet operating and chartering	211.66	252.40	377.27	762.77	1,206.53	1,576.81
Logistics services	33.75	60.95	240.92	105.57	791.49	1,014.43
Oilfields services	189.81	195.28	177.50	558.55	524.53	676.35
Total	435.22	508.63	795.69	1,426.89	2,522.55	3,267.59
Less : Inter segment revenue	(15.26)	(17.11)	(13.83)	(43.16)	(42.44)	(58.40)
Net operating income	419.96	491.52	781.86	1,383.73	2,480.11	3,209.19
Segment results						
Fleet operating and chartering	(36.46)	16.06	42.45	12.49	151.30	167.40
Logistics services	(1.55)	5.72	11.45	0.19	28.19	24.54
Oilfields services	42.77	55.21	56.64	144.35	177.14	214.92
Profit before other income, finance cost and exceptional item	4.76	76.99	110.54	157.03	356.63	406.86
Other income						
Add: Other income	32.81	24.56	10.80	108.30	35.68	88.89
Less: Unallocable interest and finance costs	(117.49)	(97.04)	(91.45)	(304.48)	(272.71)	(365.72)
(Loss) / Profit before exceptional item	(79.92)	4.51	29.89	(39.15)	119.60	130.03
Less: Exceptional item	-	-	-	-	(50.20)	(50.20)
(Loss) / Profit before tax	(79.92)	4.51	29.89	(39.15)	69.40	79.83
Less: Tax expense	(6.32)	(15.71)	(12.04)	(38.88)	(33.65)	(44.03)
(Loss)/ Profit for the period / year	(86.24)	(11.20)	17.85	(78.03)	35.75	35.80
Capital employed (segment assets - segment current liabilities)						
Fleet operating and chartering	2,010.64	2,285.13	2,138.13	2,010.64	2,138.13	2,057.20
Logistics services	31.44	(18.79)	41.38	31.44	41.38	28.33
Oilfields services	10,093.25	10,213.81	8,189.47	10,093.25	8,189.47	9,060.32
Unallocated	1,029.33	1,043.97	1,012.15	1,029.33	1,012.15	917.77
Total	13,164.66	13,524.12	11,381.13	13,164.66	11,381.13	12,063.62

For and on behalf of the Board

A. R. Ramakrishnan

A. R. Ramakrishnan
Managing Director

Place: Mumbai

Date: 13th February, 2014



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 nine months ended December 31, 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 6 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. Attention is invited to note 5 of the Statement regarding assessment of the carrying amount of the assets (including goodwill on consolidation of Rs 5,657 crores) as at December 31, 2013 related to the Group's Oilfield Services Business. We have been informed that the Company's Management is in the process of assessing the recoverable amount of the Oilfield Services Business based on a valuation exercise being undertaken by an external valuer engaged by the Company's Management having regard to the factors described in the note and provision for impairment loss, if any, will be recognised in the annual consolidated financial statements for the year ending March 31, 2014. Pending completion of such assessment by the Company's Management, we are unable to comment on the adjustments, if any, to the carrying amounts of the assets (including goodwill on consolidation) of the Oilfield Services Business that may be required to be made.

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5. Based on our review conducted as stated above, except for the possible effect of the matter described in paragraph 4 above which has not been determined by the Company's Management at this stage, 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 September 13, 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.

6. 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 nine months ended December 31, 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, February 13, 2014