

| ESSAR SHIPPING PORTS & LOGISTICS LIMITED | | | |
|---|---|-----------------|-----------------|
| Regd. Office: Administrative Bldg., Essar Refinery Complex, Okha Highway (SH-25), Taluka Khambalia, Dist. Jamnagar 361305, Gujarat, India | | | |
| Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034 | | | |
| | Particulars | Rupees in Crore | |
| | | Year ended | |
| | | 31.03.09 | 31.03.08 |
| 1 | Income | | |
| | (a) Net Sales / Income from Operations | | |
| | i) Fleet Operating and Chartering Earnings | 1,492.59 | 1,208.75 |
| | ii) Income from other Logistics Services | 501.04 | 493.23 |
| | iii) Income from Port and Terminal Services | 386.73 | 140.44 |
| | iv) Income from Oilfields Services | 193.83 | - |
| | (b) Other Operating Income | | |
| | Profit on Sale of Fleet | 28.67 | 198.11 |
| | Total Operating Income | 2,602.86 | 2,040.53 |
| 2 | Expenditure | | |
| | a) Direct Voyage and Logistics Services | 1,311.38 | 1,160.23 |
| | b) Dry Docking | 28.89 | 28.70 |
| | c) Other Standing Costs | 80.13 | 55.86 |
| | d) Operating and other Costs - Port and Terminal activities | 65.48 | 30.78 |
| | e) Employee Costs | 148.00 | 117.10 |
| | f) Depreciation | 377.82 | 221.48 |
| | g) Other Expenditure | 105.82 | 67.69 |
| | Total Operating Expenses | 2,117.52 | 1,681.84 |
| 3 | Profit from Operations before Other Income, Interest & Exceptional Items | 485.34 | 358.69 |
| 4 | Other Income | | |
| | a) Profit on Sale of Investments | 1.09 | 107.56 |
| | b) Other Income | 41.84 | 27.15 |
| 5 | Profit before Interest & Exceptional Items | 528.27 | 493.40 |
| 6 | Interest | 434.80 | 266.55 |
| 7 | Profit after Interest but before Exceptional Items | 93.47 | 226.85 |
| 8 | Exceptional Items | 30.78 | 80.43 |
| 9 | Profit from Ordinary Activities before Tax | 124.25 | 307.28 |
| 10 | Tax Expense | 47.05 | 43.66 |
| 11 | Profit for the year before Minority Interest | 77.20 | 263.62 |
| 12 | Adjustment for Share of Minority Interest | - | 13.81 |
| 13 | Profit for the year | 77.20 | 277.43 |
| 14 | Paid-up Equity Share Capital (Face Value of Rs.10 each) | 615.68 | 426.08 |
| 15 | Reserve, excluding Revaluation Reserves as per last Balance Sheet | 6,726.70 | 2,456.44 |
| 16 | Earnings per Share (EPS) Basic and Diluted (in Rs.) | 1.25 | 6.51 |
| 17 | Public Shareholding | | |
| | - Number of Shares | 100,301,923 | 100,301,923 |
| | - Percentage of Shareholding | 16.29 | 23.54 |
| 18 | Promoters and Promoter group | | |
| | a) Pledged/Encumbered | | |
| | - Number of shares | 64,219,095 | |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 12.46 | |
| | - Percentage of shares (as a % of the total share capital of the company) | 10.43 | |
| | b) Non-encumbered | | |
| | - Number of shares | 451,162,302 | |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 87.54 | |
| | - Percentage of shares (as a % of the total share capital of company) | 73.28 | |

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NOTES:

Amalgamation of companies

Essar Sisco Ship Management Company Limited, India, (ESSMC), a wholly owned subsidiary of the Company engaged in shipping and investment activities and India Shipping, Mauritius (IS) engaged in investment activities, have been amalgamated with the Company with effect from April 1, 2008 (the appointed date) in terms of scheme of amalgamation (the scheme) sanctioned by Honorable High Court of Madras and Honorable High Court of Gujarat vide their orders dated December 18, 2008 and January 16, 2009 respectively.

In accordance with the scheme, the undertaking of ESSMC and IS being all its assets and debts, outstandings, credits, liabilities, duties and obligations, has been transferred to and vested in the Company retrospectively with effect from the appointed date. The Company has followed pooling of interest method of accounting to account the said amalgamations of the companies under the scheme.

Pursuant to the scheme:

- a The sole shareholder holding fully paid up equity shares in IS was allotted 364,905,489 equity shares of the Company based on allotment of 32 equity shares of Rs. 10/- each (Rs. 364.91 crore), at a premium of Rs. 210/- per share (Rs. 7663.02 crore) for every hundred equity share of US\$ 1 each held in the capital of IS and 175,299,376 equity shares (including 376,000 GDS represented by 124,456,000 equity shares) of the Company held by IS have been cancelled. The net excess of the value of additional shares (shares allotted to the shareholder of IS reduced by the shares already held by the IS and cancelled by the Company) issued over net assets of the IS acquired by the Company amounting to Rs. 3712.40 crore has been deducted from the securities premium account of the Company. The erstwhile wholly owned subsidiaries of IS viz. Essar Oilfields Services Limited, Mauritius and Essar Oilfields Services FZE have become subsidiaries of the Company.
 - b The Equity Share Capital of the Company now stands at Rs. 615.68 crore comprising of 61,56,83,320 shares of Rs.10/- each.
 - c No shares were issued on amalgamation of ESSMC as it was a wholly owned subsidiary of the Company. The difference between investment value of equity shares of ESSMC and equity share capital of Rs. 4.33 crore has also been deducted from Securities Premium Account of the Company.
 - d Had the accounting treatment not been prescribed in the said High Court orders, the Securities Premium Account would have been higher and General Reserve would have been lower by Rs. 3716.76 crore.
 - e The Company has become a subsidiary of Essar Shipping & Logistics Limited, Cyprus (immediate holding company) which in turn is the subsidiary of Essar Global Limited, Cayman Island (ultimate holding company).
The financials of the Company for the year ended 31st March 2009 are therefore not comparable with those of the previous year.
Essar Dredging Limited was incorporated as a wholly owned subsidiary on 12th January 2009.
Exceptional items comprise of:
 - a reversal of liability on termination of bare boat cum demise agreement of dry bulk carrier Rs.17.48 (previous year nil) crore.
 - b exchange gain (net) on foreign exchange translation Rs.13.30 (previous year Rs. 80.43) crore.
- a Pursuant to notification issued by the Central Government under Companies (Accounting Standard) Amendment Rules, 2009 dated March 31, 2009; the Company has chosen an option with effect from April 1, 2007 to adjust the gains / losses arising on conversion / translation / settlement of long term foreign currency items into the corresponding costs of fixed assets to the extent it is related to acquisition of fixed assets and the balance gains / losses has been accumulated in "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA). Consequently out of the exchange difference of Rs. 72.88 crore (net of depreciation on exchange difference) relating to previous year, Rs. 35.43 crore and Rs. 38.62 crore has been adjusted to corresponding fixed assets and revaluation reserve respectively and the balance of Rs. 1.14 crore has been accumulated in FCMITDA.
- b During the year, exchange difference on long term foreign currency items relating to fixed assets amounting to Rs. 501.48 crore has been adjusted in the costs of corresponding fixed assets and the balance exchange difference of Rs. 11.59 (net of Rs. 5.79 crore amortised in the Statement of Profit and Loss) outstanding under FCMITDA as on the balance sheet date will be amortised over the balance period of the corresponding long term foreign currency item but not beyond March 31, 2011.
 - c The compounding effect of this treatment has resulted into an increase in the profit for the year by an amount of Rs. 489.32 crore.

In order to reflect the fair value of the Company's fleet, the Company revalued its fleet on 1st April 2004 and on 31st March 2008. The valuations were done by accredited valuers on the basis of expected market value in an arm's length transaction and free of encumbrances on the valuation date. The enhancement in the value of fleet amounting to Rs. 669.52 crore and Rs. 491.31 (including Rs. 38.62 crore exchange difference, net of depreciation relating to earlier year) crore respectively were credited to fixed asset revaluation reserve. Incremental depreciation and impairment on account of the revaluation amounting to Rs. 144.73 (previous year Rs. 26.95) crore and Rs.133.97 (previous year nil) crore have been recouped from the fixed assets revaluation reserve.

Tax expense includes income tax, tonnage tax, fringe benefit tax and deferred tax.

The figures of the previous year have been regrouped / reclassified wherever necessary.

Information on investor complaints for the quarter ended 31st March 2009 is as under :

Pending at the beginning of the quarter: Nil; Received during the quarter:20; Disposed during the quarter:20 ; Pending at the end of the quarter: Nil.

The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 18th May 2009.

As per Clause 41 of the Listing agreement, the standalone results will be available on the Company's website www.essar.com

For and on behalf of the Board

V. Ashok
Wholetime Director

Place: Mumbai
Date: May 18, 2009