

**ESSAR SHIPPING LIMITED**

(Formerly known as Essar Ports & Terminals 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**  
**Unaudited Consolidated Financial Results for the quarter ended 31st December 2011.**

Sl.No.	Particulars	₹ in crore					
		Quarter ended			Nine months ended	Period from	
		31.12.2011	30.09.2011	31.12.2010	31.12.2011	16.04.10 to 31.12.2010	16.04.10 to 31.03.2011
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
a)	Net Sales / Income from Operations						
	i) Fleet operating and chartering	295.74	293.94	235.60	889.21	235.68	659.84
	ii) Logistics services	277.13	275.19	323.25	829.09	323.25	448.11
	iii) Oilfields services	140.66	30.02	91.56	251.45	91.56	167.99
b)	Other Operating Income						
	Profit on Sale of Fleet	0.25	1.05	0.25	5.42	0.25	38.47
	<b>Total Operating Income</b>	<b>713.78</b>	<b>600.20</b>	<b>650.66</b>	<b>1,975.17</b>	<b>650.74</b>	<b>1,314.41</b>
2	<b>Expenditure</b>						
a)	Direct Voyage and Logistics Services	372.65	424.22	389.73	1,195.53	389.73	795.76
b)	Other Standing Costs	38.89	35.56	34.72	112.41	34.72	78.63
c)	Employee Costs	45.11	45.68	44.73	133.28	44.73	92.98
d)	Depreciation	99.40	88.99	77.07	267.12	77.33	162.23
e)	Other Expenditure	30.26	18.42	16.10	63.87	16.10	38.44
	<b>Total Operating Expenses</b>	<b>586.31</b>	<b>612.87</b>	<b>562.35</b>	<b>1,772.21</b>	<b>562.61</b>	<b>1,168.04</b>
3	<b>Profit/(Loss) from Operations before Other Income, Interest</b>	<b>127.47</b>	<b>(12.67)</b>	<b>88.31</b>	<b>202.96</b>	<b>88.13</b>	<b>146.37</b>
4	Other Income	15.42	9.61	8.21	34.13	8.21	28.39
5	<b>Profit/(Loss) before Interest and Tax</b>	<b>142.89</b>	<b>(3.06)</b>	<b>96.52</b>	<b>237.09</b>	<b>96.35</b>	<b>174.76</b>
6	Interest	83.09	79.69	59.69	238.52	59.69	139.37
7	<b>Profit/(Loss) before Tax</b>	<b>59.80</b>	<b>(82.75)</b>	<b>36.83</b>	<b>(1.43)</b>	<b>36.65</b>	<b>35.39</b>
8	Tax Expense	11.15	2.90	2.86	16.74	2.89	2.09
9	<b>Profit/(Loss) for the period</b>	<b>48.65</b>	<b>(85.65)</b>	<b>33.97</b>	<b>(18.17)</b>	<b>33.76</b>	<b>33.30</b>
10	a) Share capital pending allotment (Face Value of ₹10/- each)	-	-	205.23	-	205.23	205.23
	b) Share capital (Face value of ₹10/- each) (allotted on 21st May, 2011)	205.23	205.23	-	205.23	-	-
11	Reserves						5,036.48
12	a) <b>Earnings per Share (EPS) Basic (in ₹) (*not annualised)</b>	<b>2.37</b>	<b>(4.17)</b>	-	<b>(0.89)</b>	-	-
	b) <b>Diluted (in ₹) (*not annualised)</b>	<b>2.37</b>	<b>(4.17)</b>	<b>1.66</b>	<b>(0.89)</b>	<b>1.64</b>	<b>1.37</b>
13	Public Shareholding						
	- Number of Shares	33,434,191	33,434,191		33,434,191	-	-
	- Percentage of Shareholding	16.29	16.29		16.29	-	-
14	<b>Promoters and Promoter group</b>						
a)	<b>Pledged/Encumbered</b>						
	- Number of shares	21,406,365	21,406,365		21,406,365	-	-
	- Percentage of shares to the total shareholding of promoter and promoter group	12.46	12.46		12.46	-	-
	- Percentage of shares to the total share capital of the Company	10.43	10.43		10.43	-	-
b)	<b>Non-encumbered</b>						
	- Number of shares	150,387,212	150,387,212		150,387,212	-	-
	- Percentage of shares to the total shareholding of promoter and promoter group	87.54	87.54		87.54	-	-
	- Percentage of shares to the total share capital of Company	73.28	73.28		73.28	-	-



**NOTES:**

The Consolidated financial results include the results of two indian subsidiaries and three overseas subsidiaries.

a) Pursuant to the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs for Accounting Standard 11, the Group has during the period ended 31st December, 2011 capitalised net exchange loss of ₹.226.54 crore on foreign currency borrowing relating to acquisition of depreciable assets and net exchange gain of ₹ 2.26 crore has been transferred to "Foreign Currency Monetary Item Translation Difference Account".

b) Effective 1st July 2011, the Group has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 - Financial Instruments: Recognition and Measurement. Due to this, the valuation gains/losses in respect of contracts entered into after that date that are designated as hedging instruments to hedge the foreign currency cash flow risk of highly probable forecasted transactions are directly recognized in the Hedging Reserve Account until the underlying forecasted transaction occurs, upon which, they are recognised in the Statement of Profit and Loss. Accordingly, the valuation loss of ₹ 40.42 crore arising on such contracts upto 31st December, 2011, has been recognised in the Hedging Reserve Account and the interest element of ₹ 3.03 crore for the period has been considered in the above financial results.

Tax expense for the period includes income tax (MAT), tonnage tax and deferred tax.

A limited review of 31st December, 2011 financial results has been carried out by the Statutory Auditors. The figures for the corresponding quarter ended 31st December, 2010 and for the period from 16th April, 2010 to 31st December, 2010 have been based on the Scheme of demerger which became effective on 9th May, 2011 from the appointed date 1st October, 2010. These figures have not been subject to limited review by the Statutory Auditors.

Information on investor complaints for the quarter ended 31st December 2011 is as under :

Pending at the beginning of the quarter: Nil; Received during the quarter: 19; Disposed during the quarter: 19; Pending at the end of the quarter: Nil.

Equity shares of the Company were admitted for trading on Bombay Stock Exchange and National Stock Exchange of India with effect from 15th November, 2011.

During the period 2,045,598 stock options were granted at an exercise price of ₹ 22.30 to eligible employees. The Board has further granted 2,023,221 stock options at an exercise price of ₹ 22.30 to eligible employees at the meeting held on 8th February 2012.

The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 8th February, 2012.

As per Clause 41 of the Listing Agreement, the standalone results are available on the Company's website: [www.essar.com](http://www.essar.com)

For and on behalf of the Board

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

Place: Mumbai  
Date: 8th February, 2012



**Consolidated Segment information for the quarter ended 31st December 2011**

₹ in crore

	Quarter ended			Nine months ended	Period from	
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	16.04.10 to 31.12.2010	16.04.10 to 31.03.2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Segment revenue</b>						
<b>Operating Income</b>						
Fleet operating and chartering	298.30	299.91	248.18	902.67	248.26	745.26
Logistics services	276.92	275.94	323.26	833.55	323.26	448.11
Oilfields services	140.66	30.02	91.56	251.45	91.56	167.99
Total	715.88	605.87	663.00	1,987.67	663.08	1,361.36
Less: Inter segment revenue	(2.10)	(5.67)	(12.34)	(12.50)	(12.34)	(46.95)
<b>Net operating income (A)</b>	<b>713.78</b>	<b>600.20</b>	<b>650.66</b>	<b>1,975.17</b>	<b>650.74</b>	<b>1,314.41</b>
<b>Other income</b>						
Unallocated	38.81	31.68	22.55	101.20	22.55	63.72
Less: Inter segment income	(23.39)	(22.07)	(14.34)	(67.07)	(14.34)	(35.33)
<b>Net other income (B)</b>	<b>15.42</b>	<b>9.61</b>	<b>8.21</b>	<b>34.13</b>	<b>8.21</b>	<b>28.39</b>
<b>Total income (A + B)</b>	<b>729.20</b>	<b>609.81</b>	<b>658.88</b>	<b>2,009.30</b>	<b>658.95</b>	<b>1,342.80</b>
<b>Segment results</b>						
Fleet operating and chartering	68.62	31.56	70.30	182.08	70.15	151.78
Logistic services (including surface transport services) *	8.02	16.04	7.72	28.66	7.72	0*
Oilfields services	50.86	(60.27)	10.29	(7.75)	10.29	(5.41)
Unallocated	15.39	9.61	8.21	34.10	8.21	28.39
* amount is less than ₹ one lakh						
<b>Profit / (loss) from operation before interest and finance charges</b>	<b>142.89</b>	<b>(3.06)</b>	<b>96.52</b>	<b>237.09</b>	<b>96.35</b>	<b>174.76</b>
<b>Less: Unallocable interest and finance expense</b>	<b>(83.09)</b>	<b>(79.69)</b>	<b>(59.69)</b>	<b>(238.52)</b>	<b>(59.69)</b>	<b>(139.37)</b>
<b>Profit / (loss) before tax</b>	<b>59.80</b>	<b>(82.75)</b>	<b>36.83</b>	<b>(1.43)</b>	<b>36.65</b>	<b>35.39</b>
Less: Income tax	(11.15)	(2.90)	(2.86)	(16.74)	(2.89)	(2.09)
<b>Profit / (loss) after tax</b>	<b>48.65</b>	<b>(85.65)</b>	<b>33.97</b>	<b>(18.17)</b>	<b>33.76</b>	<b>33.30</b>
<b>Capital employed (segment assets - segment current liabilities)</b>						
Fleet operating and chartering	2,136.97	2,127.81	1,881.84	2,136.97	1,881.84	2,299.02
Logistics services	370.31	381.13	268.70	370.31	268.70	18.25
Oilfields services	3,895.29	3,598.30	3,512.85	3,895.29	3,512.85	3,582.01
Unallocated	1,117.34	886.85	591.41	1,117.34	591.41	725.36
<b>Total</b>	<b>7,519.91</b>	<b>6,994.08</b>	<b>6,254.80</b>	<b>7,519.91</b>	<b>6,254.80</b>	<b>6,624.64</b>

For and on behalf of the Board



  
**A. R. Ramakrishnan**  
 Managing Director

Place: Mumbai  
Date: 8th February, 2012

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email id: esl.secretarial@essar.com website: www.essar.com

Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034  
Unaudited Standalone Financial Results for the quarter ended 31st December 2011.

Sl.No.	Particulars	₹ in crore					
		Quarter ended			Nine months ended	Period from	
		31.12.2011	30.09.2011	31.12.2010	31.12.2011	16.04.10 to 31.12.2010	16.04.10 to 31.03.2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	<b>Income</b>						
	a) Net sales / Income from Operations Fleet Operating and Chartering Earnings	288.27	290.41	248.19	871.30	248.27	456.67
	b) Other Operating Income Profit on Sale of Fleet	-	0.20	-	0.20	-	57.99
	<b>Total Income</b>	<b>288.27</b>	<b>290.61</b>	<b>248.19</b>	<b>871.50</b>	<b>248.27</b>	<b>514.66</b>
2	<b>Expenditure</b>						
	a) Direct Voyage	126.99	174.42	110.02	450.92	110.02	207.36
	b) Other Standing Costs	14.52	4.53	10.44	31.10	10.44	22.81
	c) Employee Costs	20.71	21.10	19.31	60.69	19.31	42.46
	d) Depreciation	40.27	35.39	30.52	102.97	30.81	56.90
	e) Other Expenditure	7.34	6.44	7.40	19.88	7.40	14.64
	<b>Total Expenses</b>	<b>209.83</b>	<b>241.88</b>	<b>177.69</b>	<b>665.56</b>	<b>177.98</b>	<b>344.17</b>
3	<b>Profit from Operations before Other Income &amp; Interest</b>	<b>78.44</b>	<b>48.73</b>	<b>70.50</b>	<b>205.94</b>	<b>70.29</b>	<b>170.49</b>
4	Other Income	13.30	17.82	14.78	44.82	14.78	32.29
5	<b>Profit before Interest and Tax</b>	<b>91.74</b>	<b>66.55</b>	<b>85.28</b>	<b>250.76</b>	<b>85.07</b>	<b>202.78</b>
6	Interest	73.55	64.14	61.91	196.59	61.91	123.11
7	<b>Profit before Tax</b>	<b>18.19</b>	<b>2.41</b>	<b>23.37</b>	<b>54.17</b>	<b>23.16</b>	<b>79.67</b>
8	Tax Expense	0.40	0.40	-	1.20	-	1.50
9	<b>Profit for the period</b>	<b>17.79</b>	<b>2.01</b>	<b>23.37</b>	<b>52.97</b>	<b>23.16</b>	<b>78.17</b>
10	a) Share capital pending allotment ( Face Value of ₹10/- each)	-	-	205.23	-	205.23	-
	b) Share capital (Face value of ₹10/- each) (alloted on 21st May, 2011)	205.23	205.23	-	205.23	-	-
11	Reserves	-	-	-	-	-	4,938.39
12	a) <b>Earnings per Share (EPS) Basic (in ₹) (* not annualised)</b>	<b>0.87</b>	<b>0.10</b>	-	<b>2.58</b>	-	-
	b) <b>Diluted (in ₹) (* not annualised)</b>	<b>0.87</b>	<b>0.10</b>	-	<b>2.58</b>	-	<b>3.71</b>
13	Public shareholding						
	- Number of shares	33,434,191	33,434,191	-	33,434,191	-	-
	- Percentage of shareholding	16.29	16.29	-	16.29	-	-
14	<b>Promoters and Promoter group</b>						
	a) <b>Pledged/Encumbered</b>						
	- Number of shares	21,406,365	21,406,365	-	21,406,365	-	-
	- Percentage of shares to the total shareholding of promoter and promoter group	12.46	12.46	-	12.46	-	-
	- Percentage of shares to the total share capital of the Company	10.43	10.43	-	10.43	-	-
	b) <b>Non-encumbered</b>						
	- Number of shares	150,387,212	150,387,212	-	150,387,212	-	-
	- Percentage of shares to the total shareholding of promoter and promoter group	87.54	87.54	-	87.54	-	-
	- Percentage of shares to the total share capital of Company	73.28	73.28	-	73.28	-	-



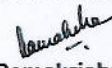
**NOTES:**

- 1 The Company is engaged in fleet operating and chartering and has only one reportable segment.
- 2 a) 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, 2011 capitalised net exchange loss of ₹ 205.42 on foreign currency borrowing relating to acquisition of depreciable assets and net exchange gain of ₹ 2.26 crore has been transferred to "Foreign Currency Monetary Item Translation Difference Account".
- b) Effective 1st July 2011, the Company has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Due to this, the valuation gains/losses in respect of contracts entered into after that date that are designated as hedging instruments to hedge the foreign currency cash flow risk of highly probable forecasted transactions are directly recognized in the Hedging Reserve Account until the underlying forecasted transaction occurs, upon which, they are recognised in the Statement of Profit and Loss. Accordingly, the valuation loss of ₹ 40.42 crore arising on such contracts upto 31st December, 2011, has been recognised in the Hedging Reserve Account and the interest element of ₹.3.03 crore for the period has considered in the above financial results.
- 3 Tax expense for the period includes income tax (MAT). and tonnage tax.
- 4 A limited review of 31st December, 2011 financial results has been carried out by the Statutory Auditors. The figures for the corresponding quarter ended 31st December, 2010 and for the period from 16th April, 2010 to 31st December, 2010 have been based on the Scheme of demerger which became effective on 9th May, 2011 from the appointed date 1st October, 2010. These figures have not been subject to limited review by the Statutory Auditors.
- 5 Information on investor complaints for the quarter ended 31st December 2011 is as under :  
Pending at the beginning of the quarter: Nil; Received during the quarter: 19 ; Disposed during the quarter: 19 ; Pending at the end of the quarter: Nil.
- 6 Equity shares of the Company were admitted for trading on Bombay Stock Exchange and National Stock Exchange of India with effect from November 15, 2011.
- 7 During the period 2,045,598 stock options were granted at an exercise price of ₹ 22.30 to eligible employees. The Board has further granted 2,023,221 stock options at an exercise price of ₹ 22.30 to eligible employees at the meeting held on 8th February 2012.
- 8 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 8th February, 2012.

Place: Mumbai  
Date: 8th February, 2012



For and on behalf of the Board

  
A. R. Ramakrishnan  
Managing Director