

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 Standalone Financial Results for the quarter ended 30th September 2011.						
Sl.No.	Particulars	₹ in crore				
		Quarter ended 30.09.2011	Quarter ended 30.09.2010	Half year ended 30.09.2011	Half year ended 30.09.2010	Period from 16.04.10 to 31.03.2011
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income					
	a) Net sales / Income from Operations					
	Fleet Operating and Chartering Earnings	290.41	0.08	583.02	0.08	456.67
	b) Other Operating Income					
	Profit on Sale of Fleet	0.20	-	0.20	-	57.99
	Total Income	290.61	0.08	583.22	0.08	514.66
2	Expenditure					
	a) Direct Voyage	174.42	-	323.93	-	207.36
	b) Other Standing Costs	4.53	-	16.58	-	22.81
	c) Employee Costs	21.10	0.26	39.98	0.26	42.46
	d) Depreciation	35.39	-	62.70	-	56.90
	e) Foreign exchange loss /(gain)	-	-	-	-	-
	f) Other Expenditure	6.44	-	12.55	-	14.64
	Total Expenses	241.88	0.26	455.74	0.26	344.17
3	Profit/(Loss) from Operations before Other Income & Interest	48.73	(0.18)	127.48	(0.18)	170.49
4	Other Income	17.82	-	31.53	-	32.29
5	Profit/(Loss) before Interest and Tax	66.55	(0.18)	159.01	(0.18)	202.78
6	Interest	64.14	-	123.04	-	123.11
7	Profit/(Loss) before Tax	2.41	(0.18)	35.97	(0.18)	79.67
8	Tax Expense	0.40	0.03	0.80	0.03	1.50
9	Profit/(Loss) for the period	2.01	(0.21)	35.17	(0.21)	78.17
10	a) Shares pending allotment 20,52,27,768 nos. (Face Value of ₹10/- each)					205.23
	b) Share capital 20,52,27,768 nos. (Face value of ₹10/- each) (allotted on 21st May, 2011)	205.23	0.05	205.23	0.05	-
11	Reserves including Debenture Redemption Reserve			4,955.86		4,938.39
12	a) Earnings per Share (EPS) Basic (in ₹) (* not annualised)	0.10	(42.48)	1.71	(42.48)	-
	b) Diluted (in ₹) (* not annualised)	0.10	(42.48)	1.71	(42.48)	3.71
13	Paid-up debt capital			700.00		700.00
14	Debenture Redemption Reserve			35.00		35.00
15	Debt Service Coverage Ratio *			1.28		1.47
16	Interest Service Coverage Ratio **			1.80		2.11
17	Public shareholding					
	- Number of shares	33,434,191		33,434,191		-
	- Percentage of shareholding	16.29		16.29		-
18	Promoters and Promoter group					
	a) Pledged/Encumbered					
	- Number of shares	21,406,365		21,406,365		-
	- Percentage of shares to the total shareholding of promoter and promoter group	12.46		12.46		-
	- Percentage of shares to the total share capital of the Company	10.43		10.43		-
	b) Non-encumbered					
	- Number of shares	150,387,212		150,387,215		-
	- Percentage of shares to the total shareholding of promoter and promoter group	87.54		87.54		-
	- Percentage of shares to the total share capital of Company	73.28		73.28		-
	* DSCR= Earnings before Depreciation, Interest and Tax/ [Interest (net of interest capitalised)+Principal Repayments]					
	** ISCR= Earnings before Depreciation, Interest and Tax/ Interest (net of interest capitalised)					



NOTES:

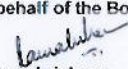
1

Statement of assets and liabilities as at 30th September, 2011

Particulars	₹ in crore		
	As at 30.09.2011	As at 30.09.2010	As at 31.03.2011
Share holders' funds			
(a) Capital	205.23	0.05	205.23
(b) Share application money	-	31.50	-
(c) Reserves and surplus	4,955.86	-	4,938.39
Loan funds	3,512.47	-	3,159.16
Total	8,673.56	31.55	8,302.78
Fixed assets (including capital work in progress)	1,885.28	5.80	1,754.34
Investments	5,877.98	-	5,629.88
Current assets, loans and advances			
(a) Inventories	32.89	-	25.27
(b) Sundry debtors	100.53	0.08	114.05
(c) Cash and bank balances	21.65	0.07	19.31
(d) Other current assets	6.35	-	10.19
(e) Loans and advances	879.13	31.25	867.45
Total	1,040.55	31.40	1,036.28
Less: Current liabilities and provisions			
(a) Liabilities	109.42	5.86	111.45
(b) Provisions	22.67	-	6.27
Total	132.09	5.86	117.71
Net current assets	908.46	25.54	918.56
Miscellaneous expenditure (to the extent not written off or adjusted)	1.84	0.21	-
Total	8,673.56	31.55	8,302.78

- 2 The Company has one reportable segment of Fleet Operating and Chartering.
- 3 The Company has acquired a 152,065 DWT capesize dry bulk carrier on 27th July 2011.
- 4 The Composite Scheme of Arrangement for demerger of shipping, oilfields and logistics business of Essar Ports Limited (formerly known as Essar Shipping Ports & Logistics Limited) into Essar Shipping Limited became effective on May 9, 2011 and all assets and liabilities pertaining to shipping, logistics and oilfields business stood transferred to Essar Shipping Limited from the appointed date of 1st October 2010, accordingly the figures of period/quarter ended September 30, 2010 are not comparable with those of the current period/quarter.
- 5 a) Pursuant to the notification dated 11th May 2011 from the Ministry of Corporate Affairs extending the option under Accounting Standard 11 until 31st March 2012, the Company has capitalised the net exchange loss on foreign currency borrowing relating to Fixed Assets during the period amounting to ₹ 104.80 crore.
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 ₹ 17.70 crores arising on such contracts upto 30th September, 2011, has been recognised in the Hedging Reserve Account and the interest element of ₹ 1.56 crores for the period has been taken to the above financial results.
- 6 Tax expense for the period includes income tax (MAT), and tonnage tax.
- 7 Information on investor complaints for the quarter ended 30th September 2011 is as under :
Pending at the beginning of the quarter: Nil; Received during the quarter:36 ; Disposed during the quarter:36; Pending at the end of the quarter: Nil.
- 8 The Company has received relaxation of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 from the Securities and Exchange Board of India Limited on 19th October 2011. The Company is in the process of obtaining final listing approval from Stock Exchanges.
- 9 The Statutory Auditors have carried out an audit of the accounts of the Company for the six months ended 30th September 2011 instead of limited review. The audit report covering the financials for the half year ended 30th September 2011 addressed to the Board of Directors does not contain any qualification.
- 10 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 9th November, 2011.

For and on behalf of the Board


A. R. Ramakrishnan
Managing Director

Place: Mumbai
Date: 9th November, 2011


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				
Consolidated Financial Results for the quarter ended 30th September 2011.				
Sl.No.	Particulars	₹ in crore		
		Quarter ended 30.09.2011	Half year ended 30.09.2011	Period from 16.04.10 to 31.03.2011
		(Unaudited)	(Audited)	(Audited)
1	Income			
	a) Net Sales / Income from Operations			
	i) Fleet operating and chartering	293.94	593.48	659.84
	ii) Logistics services	275.19	551.96	448.11
	iii) Oilfields services	30.02	110.79	167.99
	b) Other Operating Income			
	Profit on Sale of Fleet	1.05	5.17	38.47
	Total Operating Income	600.20	1,261.40	1,314.41
2	Expenditure			
	a) Direct Voyage and Logistics Services	424.22	822.88	795.76
	b) Other Standing Costs	35.56	73.52	78.63
	c) Employee Costs	45.69	88.17	92.98
	d) Depreciation	88.99	167.72	162.23
	f) Other Expenditure	18.41	33.61	38.44
	Total Operating Expenses	612.87	1,185.91	1,168.04
3	(Loss)/Profit from Operations before Other Income, Interest	(12.67)	75.49	146.37
4	Other Income	9.61	18.71	28.39
5	(Loss)/Profit before Interest and Tax	(3.06)	94.19	174.76
6	Interest	79.69	155.42	139.37
7	(Loss)/Profit before Tax	(82.75)	(61.23)	35.39
8	Tax Expense	2.90	5.60	2.09
9	(Loss)/Profit for the period	(85.65)	(66.83)	33.30
10	a) Shares pending allotment 20,52,27,768 nos. (Face Value of ₹10/- each)	-	-	205.23
	b) Share capital 20,52,27,768 nos. (Face value of ₹10/- each) (alloted on 21st May, 2011)	205.23	205.23	-
11	Reserves including Debenture Redemption Reserve		5,003.10	5,036.48
12	a) Earnings per Share (EPS) Basic (in ₹) (*not annualised)	(4.17)	(3.26)	-
	b) Diluted (in ₹) (*not annualised)	(4.17)	(3.26)	1.37
13	Paid-up debt capital		700.00	700.00
14	Debenture Redemption Reserve		35.00	35.00
15	Debt Service Coverage Ratio *		0.96	1.20
16	Interest Service Coverage Ratio **		1.69	2.42
17	Public Shareholding			
	- Number of Shares	33,434,191	33,434,191	-
	- Percentage of Shareholding	16.29	16.29	-
18	Promoters and Promoter group			
	a) Pledged/Encumbered			
	- Number of shares	21,406,365	21,406,365	-
	- Percentage of shares to the total shareholding of promoter and promoter group	12.46	12.46	-
	- Percentage of shares to the total share capital of the Company	10.43	10.43	-
	b) Non-encumbered			
	- Number of shares	150,387,212	150,387,215	-
	- Percentage of shares to the total shareholding of promoter and promoter group	87.54	87.54	-
	- Percentage of shares to the total share capital of Company	73.28	73.28	-
	* DSCR= Earnings before Depreciation, Interest and Tax/ [Interest (net of interest capitalised)+Principal Repayments]			
	** ISCR= Earnings before Depreciation, Interest and Tax/ Interest (net of interest			



NOTES:**Statement of consolidated assets and liabilities as at 30th September, 2011**

Particulars	₹ in crore	
	As at 30.09.2011	As at 31.03.2011
Share holders' funds		
(a) Capital	205.23	205.23
(b) Reserves and surplus	5,003.10	5,036.48
Loan funds	5,420.54	4,989.05
Deferred tax liability (net)	27.06	22.26
Total	10,655.93	10,253.02
Fixed assets (including capital work in progress)	5,902.72	5,635.72
Goodwill on consolidation	3,658.41	3,658.41
Investments *	0.00	0.00
Current assets, loans and advances		
(a) Inventories	143.50	133.50
(b) Sundry debtors	459.50	471.37
(c) Cash and bank balances	215.95	224.36
(d) Other current assets	57.66	13.75
(e) Loans and advances	886.84	694.11
Total	1,763.45	1,537.09
Less: Current liabilities and provisions		
(a) Liabilities	645.56	568.29
(b) Provisions	26.51	11.73
Total	672.07	580.02
Net current assets	1,091.38	957.07
Miscellaneous expenditure (not written off or adjusted)	3.42	1.82
Total	10,655.93	10,253.02

* Amount is less than ₹ one lakh

- 2 The Composite Scheme of Arrangement for demerger of shipping, oilfields and logistics business of Essar Ports Limited (formerly known as Essar Shipping Ports & Logistics Limited) into Essar Shipping Limited became effective on May 9, 2011 and all assets and liabilities pertaining to shipping, logistics and oilfields business stood transferred to Essar Shipping Limited from the appointed date of 1st October 2010, accordingly there are no comparative figures available for period/quarter ended 30th September 2011.
- 3 The Group has acquired a 152,065 DWT capesize dry bulk carrier on 27th July 2011.
- 4 The revenues during the quarter has been low due to (a) semi submergible rig Essar Wildcat undergoing statutory surveys and inspections during Aug 11/ Sep11. The rig is now contracted at remunerative rates from 12th October, 2011. (b) The VLCCs were trading in the spot market during the period. These vessels have since been fixed on time charter.
- 5 a) Pursuant to the notification dated 11th May 2011 from the Ministry of Corporate Affairs extending the option under Accounting Standard 11 until 31st March 2012, the Group has capitalised the net exchange loss on foreign currency borrowing relating to Fixed Assets during the period amounting to ₹ 115.60 crore.
- 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 ₹ 17.70 crores arising on such contracts upto 30th September, 2011, has been recognised in the Hedging Reserve Account and the interest element of ₹ 1.56 crores for the period has been taken to the above financial results.
- 6 Tax expense for the period includes income tax (MAT), tonnage tax and deferred tax.
- 7 Information on investor complaints for the quarter ended 30th September 2011 is as under :
Pending at the beginning of the quarter: Nil; Received during the quarter: 36; Disposed during the quarter: 36; Pending at the end of the quarter: Nil.
- 8 Essar Shipping Limited has received relaxation of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 from the Securities and Exchange Board of India Limited on 19th October 2011. Essar Shipping Limited is in the process of obtaining final listing approval from Stock Exchanges.
- 9 The Statutory Auditors have carried out an audit of the accounts of the Group for the six months ended 30th September 2011 instead of limited review. The audit report covering the financials for the half year ended 30th September 2011 addressed to the Board of Directors does not contain any qualification.
- 10 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 9th November,
- 11 As per Clause 41 of the Listing Agreement, the standalone results 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: 9th November, 2011

Consolidated Segment information for the quarter ended 30th September 2011

(₹ in crore)

Particulars	Quarter ended 30.09.2011	Half year ended 30.09.11	Period from 16.04.10 to 31.03.2011
	(Unaudited)	(Audited)	(Audited)
Segment revenue			
Operating Income			
Fleet operating and chartering	299.91	604.39	745.26
Logistics services (including surface transport services)	275.94	556.63	448.11
Oilfields services	30.02	110.79	167.99
Total	605.87	1,271.81	1,361.36
Less : Inter segment revenue	(5.67)	(10.41)	(46.95)
Net operating income (A)	600.20	1,261.40	1,314.41
Other income			
Unallocated	31.68	62.39	63.72
Less: Inter segment income	(22.07)	(43.68)	(35.33)
Net other income (B)	9.61	18.71	28.39
Total income (A + B)	609.81	1,280.11	1,342.80
Segment results			
Fleet operating and chartering	31.56	113.46	151.78
Logistic services (including surface transport services) *	16.04	20.63	-
Oilfields services	(60.27)	(58.61)	(5.41)
Unallocated	9.61	18.71	28.39
* amount is less than ₹ one lakh			
Profit from operation before interest and finance charges	(3.06)	94.19	174.76
Less: Unallocable interest and Finance expense	(79.69)	(155.42)	(139.37)
Profit before tax	(82.75)	(61.23)	35.39
Less: Income tax	(2.90)	(5.60)	(2.09)
Profit after tax	(85.65)	(66.83)	33.30
Capital employed (segment assets - segment current liabilities)			
Fleet operating and chartering	2,127.81	2,127.81	2,299.02
Surface transport services	381.13	381.13	18.25
Oilfields services (including Capital work in progress ₹1492.10 crore)	3,598.30	3,598.30	3,582.01
Unallocated	886.85	886.85	725.36
Total	6,994.08	6,994.08	6,624.64

For and on behalf of the Board



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

Place: Mumbai
Date: 9th November, 2011