

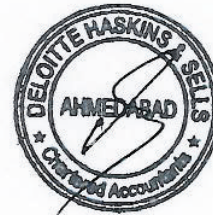
**ESSAR SHIPPING LIMITED**

(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) Earnings per Share (EPS) Basic (in ₹) (*not annualised)	2.37	(4.17)	-	(0.89)	-	-
	b) Diluted (in ₹) (*not annualised)	2.37	(4.17)	1.66	(0.89)	1.64	1.37
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	-	-

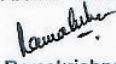


NOTES:

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

- 1
- 2 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.
- 3 Tax expense for the period includes income tax (MAT), tonnage tax and deferred 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 15th November, 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.
- 9 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  
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
<b>Total</b>	<b>715.88</b>	<b>605.87</b>	<b>663.00</b>	<b>1,987.67</b>	<b>663.08</b>	<b>1,361.36</b>
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*  
A. R. Ramakrishnan  
Managing Director

Place: Mumbai  
Date: 8th February, 2012

**ESSAR SHIPPING LIMITED**

(Formerly known as Essar Ports & Terminals Limited)

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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	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*  
A. R. Ramakrishnan  
Managing Director

# Deloitte Haskins & Sells

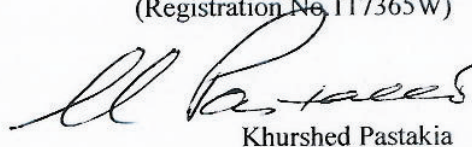
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## AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ESSAR SHIPPING LIMITED (formerly Essar Ports & Terminal Limited)

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2011 ("the Statement") of **ESSAR SHIPPING LIMITED** ("the Company"). 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, 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 misstatements. 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. We draw attention to note no. 4 to the Statement with regard to information for the quarter and period ended December 31, 2010 which were not subjected to review by us for reasons explained therein.
4. Based on our review conducted as stated above and read together with our comments in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 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.
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 undisputed investor complaints from the details furnished by the Management.

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



Khurshed Pastakia  
Partner

 (Membership No. 31544)

MUMBAI, 8<sup>th</sup> February, 2012


**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
ESSAR SHIPPING LIMITED (formerly Essar Ports & Terminal Limited)**

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("the Statement") for the quarter and nine months ended December 31, 2011 of **ESSAR SHIPPING LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"). 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 these financial results 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 misstatements. 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. We draw attention to note no. 4 to the Statement with regard to information for the quarter and period ended December 31, 2010 which were not subjected to review by us for reasons explained therein.
4. The Statement includes the results of the entities which have been listed in the Annexure to the Report.
5. Based on our review conducted as stated above and read together with our comments in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 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 shareholdings in respect of the aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged / encumbered in respect of the aggregate amount of promoter and promoter group in terms of Clause 35 of the Listing Agreements from the details furnished by the Management and the particulars relating to the undisputed investor complaints from the details furnished by the Management

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



Khurshed Pastakia  
Partner

 (Membership No. 31544)

# Deloitte Haskins & Sells

Annexure:

List of Subsidiaries included in the consolidation.

Sr. No.	Name of Entity	Relationship
1	Essar Logistics Limited	Subsidiary
2	Essar Oilfields Services Limited	Subsidiary
3	Essar Oilfield Services India Limited	Subsidiary
4	Energy II limited	Subsidiary
5	Energy Transportation International Limited	Subsidiary

*AS*

