

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

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

Audited Standalone Financial Results for the year ended 31st March 2012.

| PART I | | Rs. in crore | | | | |
|----------------|---|-------------------------|---------------|---------------|-----------------|------------------------|
| Sl.No. | Particulars | Unaudited quarter ended | | | Year ended | Period from |
| | | 31.03.2012 | 31.12.2011 | 31.03.2011 | 31.03.2012 | 16.04.10 to 31.03.2011 |
| 1 | Income from operations | | | | | |
| | a) Net sales / Income from operations | | | | | |
| | Fleet operating and chartering earnings | 360.62 | 288.27 | 208.48 | 1,231.92 | 456.67 |
| | b) Other operating income including profit on sale of fleet | 13.23 | - | 57.99 | 13.43 | 57.99 |
| | Total Income from operations | 373.85 | 288.27 | 266.47 | 1,245.35 | 514.66 |
| 2 | Expenses | | | | | |
| | a) Direct voyage | 182.61 | 126.99 | 97.34 | 633.54 | 207.36 |
| | b) Dry docking | 12.84 | 0.00 | - | 12.84 | - |
| | c) Other standing costs | 10.54 | 14.52 | 12.37 | 41.64 | 22.81 |
| | d) Employee benefits | 30.04 | 20.71 | 23.15 | 90.73 | 42.46 |
| | e) Depreciation | 33.39 | 40.27 | 26.38 | 136.36 | 56.90 |
| | f) Other expenditure | 5.50 | 7.34 | 7.25 | 25.38 | 14.64 |
| | Total Expenses | 274.93 | 209.83 | 166.48 | 940.49 | 344.17 |
| 3 | Profit from operations before other income and interest | 98.91 | 78.44 | 99.99 | 304.86 | 170.49 |
| 4 | Other income | 14.69 | 13.30 | 17.50 | 59.51 | 32.29 |
| 5 | Profit before interest and tax | 113.60 | 91.74 | 117.49 | 364.37 | 202.78 |
| 6 | Interest | 70.31 | 73.55 | 61.20 | 266.90 | 123.11 |
| 7 | Profit before tax | 43.29 | 18.19 | 56.30 | 97.47 | 79.67 |
| 8 | Tax expense | 0.45 | 0.40 | 1.50 | 1.65 | 1.50 |
| 9 | Profit for the period /year | 42.84 | 17.79 | 54.80 | 95.82 | 78.17 |
| 10 | i) Share capital pending allotment (face value of Rs.10/- each) | - | - | 205.23 | - | 205.23 |
| | ii) Share capital (face value of Rs.10/- each) (alloted on 21st May, 2011) | 205.23 | 205.23 | - | 205.23 | - |
| 11 | Reserves | | | | 5,005.65 | 4,938.39 |
| 12 | i) Earnings per share (EPS) Basic (in Rs.) (* not annualised) | *2.09 | *0.87 | - | 4.67 | - |
| | ii) Diluted (in Rs.) (* not annualised) | *2.09 | *0.87 | *2.44 | 4.67 | 3.71 |
| 13 | Paid-up debt capital | | | | 700.00 | 700.00 |
| 14 | Debenture redemption reserve | | | | 55.00 | 35.00 |
| 15 | Debt service coverage ratio | | | | 1.27 | 1.47 |
| 16 | Interest service coverage ratio | | | | 1.88 | 2.11 |
| | * 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) | | | | | |
| PART II | | | | | | |
| A | PARTICULARS OF SHAREHOLDING | | | | | |
| 1 | Public shareholding | | | | | |
| | - Number of shares | 33,434,191 | 33,434,191 | - | 33,434,191 | - |
| | - Percentage of shareholding | 16.29 | 16.29 | - | 16.29 | - |
| 2 | Promoters and Promoter group | | | | | |
| | a) Pledged/Encumbered | | | | | |
| | - Number of shares | 164,915,135 | 21,406,365 | - | 164,915,135 | - |
| | - Percentage of shares to the total shareholding of promoter and promoter group | 96.00 | 12.46 | - | 96.00 | - |
| | - Percentage of shares to the total share capital of the Company | 80.36 | 10.43 | - | 80.36 | - |
| | b) Non-encumbered | | | | | |
| | - Number of shares | 6,878,442 | 150,387,212 | - | 6,878,442 | - |
| | - Percentage of shares to the total shareholding of promoter and promoter group | 4.00 | 87.54 | - | 4.00 | - |
| | - Percentage of shares to the total share capital of Company | 3.35 | 73.28 | - | 3.35 | - |
| B | INVESTOR COMPLAINTS | Quarter ended | | | | |
| | | 31.03.2012 | | | | |
| | Pending at the beginning of the quarter | - | | | | |
| | Received during the quarter | 23 | | | | |
| | Disposed during the quarter | 23 | | | | |
| | Remaining unresolved at the end of the quarter | - | | | | |



NOTES:

1 Statement of assets and liabilities as at 31st March, 2012

| Particulars | Rs. in crore | |
|---|------------------|------------------|
| | As at 31.03.2012 | As at 31.03.2011 |
| EQUITY AND LIABILITIES | | |
| Shareholders' funds | | |
| (a) Share capital | 205.23 | 205.23 |
| (b) Reserves and surplus | 5,005.65 | 4,938.39 |
| | 5,210.87 | 5,143.62 |
| Non-current liabilities | | |
| (a) Long-term borrowings | 3,212.10 | 2,856.78 |
| (b) Other long term liabilities | 13.50 | 13.50 |
| (c) Long-term provisions | 5.64 | 6.27 |
| | 3,231.24 | 2,876.55 |
| Current liabilities | | |
| (a) Short-term borrowings | 233.75 | 185.98 |
| (b) Trade payables | 131.87 | 69.35 |
| (c) Other current liabilities | 224.87 | 144.98 |
| (d) Short-term provisions | 31.80 | 0.01 |
| | 622.29 | 400.32 |
| TOTAL | 9,064.40 | 8,420.49 |
| ASSETS | | |
| Non-current assets | | |
| (a) Fixed assets | | |
| Tangible assets | 1,867.04 | 1,745.80 |
| (b) Non-current investments (in Subsidiaries) | 6,323.92 | 5,629.88 |
| (c) Long-term loans and advances | 471.17 | 485.03 |
| (d) Other non-current assets | 15.89 | 16.25 |
| | 8,678.02 | 7,876.96 |
| Current assets | | |
| (a) Inventories | 40.89 | 25.27 |
| (b) Trade receivables | 119.69 | 114.05 |
| (c) Cash and cash equivalents | 19.93 | 19.31 |
| (d) Short-term loans and advances | 181.32 | 364.04 |
| (e) Other current assets | 24.54 | 20.86 |
| | 386.38 | 543.53 |
| TOTAL | 9,064.40 | 8,420.49 |

- 2 The Company has only one reportable segment of fleet operating and chartering.
- 3 The current year figures are not comparable with the previous year figures, as in the previous year, effective operation was for six months only, since the demerger of shipping, oilfield and logistics business from Essar Ports Limited (erstwhile Essar Shipping Ports & Logistics Limited) was effective from 1st October, 2010.
- 4 During the period, the Company has inducted three Minicape Bulk Carrier of total 314,469 DWT on bareboat charter basis.
- 5 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 year ended 31st March, 2012 capitalised net exchange loss of Rs. 152.74 crore on foreign currency borrowing relating to acquisition of depreciable assets and net exchange gain of Rs.3.39 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 Rs. 31.39 crore arising on such contracts upto 31st March, 2012, has been recognised in the Hedging Reserve Account and the interest element of Rs.6.09 crore for the year has been considered in the above financial results.
- 6 Tax expense for the period includes income tax (MAT), and tonnage tax.
- 7 Equity shares of the Company were admitted for trading on BSE Limited and National Stock Exchange of India Limited with effect from 15th November,
- 8 During the year, the Company has granted 40,68,819 Stock Options (20,23,221 during the current Quarter) to the eligible employees and Executive Directors of the Company and its subsidiaries including 12,25,791 (6,09,525 during the current Quarter) Stock Options granted to the Executive Directors of Essar Shipping Limited. Of the above, 4,03,549 Stock Options have lapsed during the quarter.
- 9 The figures of the previous period have been regrouped /reclassified wherever necessary to conform with the Schedule VI (as amended) of the Companies Act, 1956.
- 10 The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- 11 Essar Shipping Ltd is the first Indian shipping company, besides being among the first Indian companies, to publish a Sustainability Report conforming to the recently released National Voluntary Guidelines of the Ministry of Corporate Affairs and mandated by Securities & Exchange Board of India for Top 100 companies. ESL's Sustainability Report has obtained an A+ rating after verification from the international entity GRI. The Report has also obtained third party assurance from DNV as per AA1000 and DNV's Sustainability protocol Verisustain.
- 12 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 17th May, 2012.

For and on behalf of the Board


 A. R. Ramakrishnan
 Managing Director

 Place: Mumbai
 Date: 17th May, 2012


ESSAR SHIPPING LIMITED

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Audited Consolidated Financial Results for the year ended 31st March 2012.

| PART I | | Rs. in crore | | | | |
|----------------|---|---------------------------------|---------------|----------------|-----------------|------------------------|
| Sl.No. | Particulars | Unaudited quarter ended | | | Year ended | Period from |
| | | 31.03.2012 | 31.12.2011 | 31.03.2011 | 31.03.2012 | 16.04.10 to 31.03.2011 |
| 1 | Income from operations | | | | | |
| a) | Net Sales / Income from operations | | | | | |
| | i) Fleet operating and chartering | 364.43 | 295.74 | 202.66 | 1,253.65 | 438.34 |
| | ii) Logistics services | 302.17 | 277.13 | 346.36 | 1,131.25 | 669.61 |
| | iii) Oilfields services | 145.68 | 140.66 | 76.43 | 397.13 | 167.99 |
| b) | Other operating income including profit on sale of fleet | 14.13 | 0.25 | 42.56 | 19.55 | 42.81 |
| | Total income from operations | 826.41 | 713.78 | 668.01 | 2,801.58 | 1,318.76 |
| 2 | Expenses | | | | | |
| a) | Direct voyage and logistics services | 460.70 | 372.65 | 406.03 | 1,656.23 | 795.76 |
| b) | Other standing costs | 48.72 | 38.89 | 43.90 | 161.13 | 78.63 |
| c) | Employee benefits | 56.61 | 45.11 | 48.25 | 189.89 | 92.98 |
| d) | Depreciation | 95.82 | 99.40 | 84.90 | 362.94 | 162.23 |
| e) | Other expenditure | 30.91 | 30.26 | 22.34 | 94.76 | 38.44 |
| | Total operating expenses | 692.76 | 586.31 | 605.42 | 2,464.95 | 1,168.04 |
| 3 | Profit/(Loss) from operations before other income and interest | 133.65 | 127.47 | 62.59 | 336.63 | 150.72 |
| 4 | Other income | 18.80 | 15.42 | 15.83 | 52.93 | 24.04 |
| 5 | Profit/(Loss) before interest and tax | 152.45 | 142.89 | 78.42 | 389.56 | 174.76 |
| 6 | Interest | 90.91 | 83.09 | 79.68 | 329.43 | 139.37 |
| 7 | Profit/(Loss) before tax | 61.54 | 59.80 | (1.26) | 60.13 | 35.39 |
| 8 | Tax expense | 6.56 | 11.15 | (0.81) | 23.30 | 2.09 |
| 9 | Profit/(Loss) for the period /year | 54.98 | 48.65 | (0.45) | 36.83 | 33.30 |
| 10 | a) Share capital pending allotment (face value of Rs.10/- each) | - | - | 205.23 | - | 205.23 |
| | b) Share capital (face value of Rs.10/- each) (alloted on 21st May, 2011) | 205.23 | 205.23 | - | 205.23 | - |
| 11 | Reserves | | | | 5,290.48 | 5,036.48 |
| 12 | a) Earnings per Share (EPS) Basic (in Rs.) (*not annualised) | *2.68 | *2.37 | - | 1.80 | - |
| | b) Diluted (in Rs.) (*not annualised) | *2.68 | *2.37 | *(0.27) | 1.80 | 1.37 |
| 13 | Paid-up debt capital | | | | 700.00 | 700.00 |
| 14 | Debt redemption reserve | | | | 55.00 | 35.00 |
| 15 | Debt service coverage ratio * | | | | 1.24 | 1.20 |
| 16 | Interest service coverage ratio ** | | | | 2.28 | 2.42 |
| | * 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) | | | | | |
| PART II | | | | | | |
| A | PARTICULARS OF SHAREHOLDING | | | | | |
| 1 | Public shareholding | | | | | |
| | - Number of shares | 33,434,191 | 33,434,191 | - | 33,434,191 | - |
| | - Percentage of shareholding | 16.29 | 16.29 | - | 16.29 | - |
| 2 | Promoters and Promoter group | | | | | |
| a) | Pledged /Encumbered | | | | | |
| | - Number of shares | 164,915,135 | 21,406,365 | - | 164,915,135 | - |
| | - Percentage of shares to the total shareholding of promoter and promoter group | 96.00 | 12.46 | - | 96.00 | - |
| | - Percentage of shares to the total share capital of the Company | 80.36 | 10.43 | - | 80.36 | - |
| b) | Non-encumbered | | | | | |
| | - Number of shares | 6,878,442 | 150,387,212 | - | 6,878,442 | - |
| | - Percentage of shares to the total shareholding of promoter and promoter group | 4.00 | 87.54 | - | 4.00 | - |
| | - Percentage of shares to the total share capital of Company | 3.35 | 73.28 | - | 3.35 | - |
| B | INVESTOR COMPLAINTS | | | | | |
| | | Quarter ended 31.03.2012 | | | | |
| | Pending at the beginning of the quarter | | Nil | | | |
| | Received during the quarter | | 23 | | | |
| | Disposed during the quarter | | 23 | | | |
| | Remaining unresolved at the end of the quarter | | Nil | | | |



| NOTES: | | | |
|---|--|---|---------------------|
| 1 Statement of consolidated assets and liabilities as at 31st March, 2012 | | | |
| Particulars | | As at 31.03.2012 | As at 31.03.2011 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | | 205.23 | 205.23 |
| (b) Reserves and surplus | | 5,290.48 | 5,036.48 |
| | | 5,495.71 | 5,241.71 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | | 4,829.86 | 4,552.81 |
| (b) Deferred tax liabilities (Net) | | 27.30 | 22.26 |
| (c) Other long term liabilities | | 20.06 | 15.23 |
| (d) Long-term provisions | | 7.51 | 10.50 |
| | | 4,884.73 | 4,600.80 |
| Current liabilities | | | |
| (a) Short-term borrowings | | 293.62 | 189.00 |
| (b) Trade payables | | 577.53 | 407.95 |
| (c) Other current liabilities | | 647.31 | 325.81 |
| (d) Short-term provisions | | 119.96 | 67.78 |
| | | 1,638.42 | 990.54 |
| TOTAL | | 12,018.86 | 10,833.05 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | | 4,434.17 | 4,135.08 |
| (ii) Capital work-in-progress | | 593.53 | 358.34 |
| (b) Goodwill on consolidation | | 3,658.41 | 3,658.41 |
| (c) Non-current investments* | | *0.00 | *0.00 |
| (d) Long-term loans and advances | | 1,281.85 | 1,201.46 |
| (e) Other non-current assets | | 40.77 | 40.35 |
| | | 10,008.73 | 9,393.64 |
| Current assets | | | |
| (a) Inventories | | 150.25 | 133.50 |
| (b) Trade receivables | | 608.93 | 471.38 |
| (c) Cash and cash equivalents | | 226.72 | 224.36 |
| (d) Short-term loans and advances | | 914.63 | 581.10 |
| (e) Other current assets | | 109.60 | 29.07 |
| | | 2,010.13 | 1,439.41 |
| (* amount less than ` 1 lakh) | | | |
| TOTAL | | 12,018.86 | 10,833.05 |
| 2 | The Consolidated financial results include the results of two Indian subsidiaries and three overseas subsidiaries. | | |
| 3 | The current year figures are not comparable with the previous year figures, as in the previous year, effective operation was for six months only, since the demerger of shipping, oilfield and logistics business from Essar Ports Limited (erstwhile Essar Shipping Ports & Logistics Limited) was effective from 1st October, 2010. | | |
| 4 | During the period, the Company has inducted three Minicapa Bulk Carrier of total 314,469 DWT on bareboat charter basis. | | |
| 5 | 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 year ended 31st March, 2012 capitalised net exchange loss of Rs.191.45 crore on foreign currency borrowing relating to acquisition of depreciable assets. | | |
| | 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 Rs. 31.39 crore arising on such contracts upto 31st March, 2012, has been recognised in the Hedging Reserve Account and the interest element of Rs.6.09 crore for the year has been considered in the above financial results. | | |
| 6 | Tax expense for the period includes income tax (MAT), tonnage tax and deferred tax. | | |
| 7 | Equity shares of the Company were admitted for trading on BSE Limited and National Stock Exchange of India Limited with effect from 15th November, 2011. | | |
| 8 | During the year, the Company has granted 40,68,819 Stock Options (20,23,221 during the current Quarter) to the eligible employees and Executive Directors of the Company and its subsidiaries including 12,25,791 (6,09,525 during the current Quarter) Stock Options granted to the Executive Directors of Essar Shipping Limited. Of the above, 4,03,549 Stock Options have lapsed during the quarter. | | |
| 9 | The figures of the previous period have been regrouped /reclassified wherever necessary to conform with the Schedule VI (as amended) of the Companies Act., 1956. | | |
| 10 | The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year. | | |
| 11 | Essar Shipping Ltd is the first Indian shipping company, besides being among the first Indian companies, to publish a Sustainability Report conforming to the recently released National Voluntary Guidelines of the Ministry of Corporate Affairs and mandated by Securities & Exchange Board of India for Top 100 companies. ESL's Sustainability Report has obtained an A+ rating after verification from the international entity GRI. The Report has also obtained third party assurance from DNV as per AA1000 and DNV's Sustainability protocol Verisustain. | | |
| 12 | The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 17th May, 2012. | | |
| 13 | As per Clause 41 of the Listing Agreement, the standalone results are available on the Company's website: www.essar.com | | |
| Place: Mumbai Date: 17th May, 2012 | |  <p>For and on behalf of the Board <i>A. R. Ramakrishnan</i> A. R. Ramakrishnan Managing Director</p> | |

ESSAR SHIPPING LIMITED

(Formerly known as Essar Ports & Terminals Limited)

Consolidated Segment information for the year ended 31st March 2012

| Particulars | Rs. in crore | | | | |
|---|-------------------------|-----------------|-----------------|-----------------|------------------------|
| | Unaudited quarter ended | | | Year ended | Period from |
| | 31.03.2012 | 31.12.2011 | 31.03.2011 | 31.03.2012 | 16.04.10 to 31.03.2011 |
| Segment revenue | | | | | |
| Operating Income | | | | | |
| Fleet operating and chartering | 385.57 | 298.30 | 275.50 | 1,288.24 | 523.76 |
| Logistics services | 297.74 | 276.92 | 346.36 | 1,131.29 | 669.61 |
| Oilfields services | 150.30 | 140.66 | 80.76 | 401.75 | 172.34 |
| Total | 833.61 | 715.88 | 702.62 | 2,821.28 | 1,365.71 |
| Less : Inter segment revenue | (7.20) | (2.10) | (34.61) | (19.70) | (46.95) |
| Net operating income (A) | 826.41 | 713.78 | 668.01 | 2,801.58 | 1,318.76 |
| Other income | | | | | |
| Unallocated | 44.82 | 38.81 | 36.82 | 146.02 | 59.37 |
| Less: Inter segment income | (26.02) | (23.39) | (20.99) | (93.09) | (35.33) |
| Net other income (B) | 18.80 | 15.42 | 15.83 | 52.93 | 24.04 |
| Total income (A + B) | 845.21 | 729.20 | 683.84 | 2,854.51 | 1,342.80 |
| Segment results | | | | | |
| Fleet operating and chartering | 85.48 | 68.62 | 56.54 | 267.56 | 126.68 |
| Logistic services (including surface transport services) | 0.41 | 8.02 | 17.40 | 29.07 | 25.10 |
| Oilfields services | 47.75 | 50.86 | (11.35) | 40.00 | (1.06) |
| Unallocated | 18.81 | 15.39 | 15.83 | 52.93 | 24.04 |
| Profit / (loss) from operation before interest and finance charges | 152.45 | 142.89 | 78.42 | 389.56 | 174.76 |
| Less: Unallocable interest and finance expense | (90.91) | (83.09) | (79.68) | (329.43) | (139.37) |
| Profit / (loss) before tax | 61.54 | 59.80 | (1.26) | 60.13 | 35.39 |
| Less: Income tax | (6.56) | (11.15) | 0.81 | (23.30) | (2.09) |
| Profit / (loss) after tax | 54.98 | 48.65 | (0.45) | 36.83 | 33.30 |
| Capital employed (segment assets - segment current liabilities) | | | | | |
| Fleet operating and chartering | 2,525.18 | 2,605.69 | 2,678.77 | 2,525.18 | 2,678.77 |
| Logistics services | 418.01 | 438.77 | 100.10 | 418.01 | 100.10 |
| Oilfields services | 4,558.98 | 4,475.45 | 3,813.93 | 4,558.98 | 3,813.93 |
| Total | 7,502.17 | 7,519.91 | 6,592.80 | 7,502.17 | 6,592.80 |

For and on behalf of the Board


A. R. Ramakrishnan
 Managing Director

Place: Mumbai
Date: 17th May, 2012



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