

Essar Shipping Limited

Essar House
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Mahalaxmi
Mumbai 400 034
India

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May 17, 2012

The Manager
Listing Department
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Fax: +91 22 2272 2082/3132
BSE Code: 533704

The Manger
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051
Fax: +91 22 2659 8237/38
NSE Code: ESSARSHPNG

The Manger
Wholesale Debt Market
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051
Fax: +91 22 2659 8237/38

Sir/s,

Sub: Audited Financial Results for the Quarter and Year Ended March 31, 2012

As required under Clause 41 of the Listing Agreement, please find enclosed herewith the Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Year Ended March 31, 2012 as approved at the Meeting of the Board of Directors, held today i.e., Thursday, May 17, 2012.

This intimation is being provided pursuant to the provisions of the Listing Agreement.

Kindly take the same on records.

Yours faithfully

For Essar Shipping Limited


Vinayak Jeshi
Company Secretary

Encl: As above



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
11	ii) Share capital (face value of Rs.10/- each) (allotted on 21st May, 2011)	205.23	205.23	-	205.23	-
12	Reserves				5,005.65	4,938.39
13	i) Earnings per share (EPS) Basic (in Rs.) (* not annualised)	*2.09	*0.87	-	4.67	-
14	ii) Diluted (in Rs.) (* not annualised)	*2.09	*0.87	*2.44	4.67	3.71
15	Paid-up debt capital				700.00	700.00
16	Debt service coverage ratio				55.00	35.00
	Interest service coverage ratio				1.27	1.47
	* DSCR= Earnings before depreciation, interest and tax/ [Interest (net of interest capitalised)+principal repayments]				1.88	2.11
	** 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:

Statement of assets and liabilities as at 31st March, 2012			
		Rs. in crore	
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	5,005.65	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

(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 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) (allotted 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	Debenture 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 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 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



For and on behalf of the Board

Ramkrishnan
A. R. Ramkrishnan
Managing Director

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
