

ESSAR SHIPPING LIMITED

Regd. Office: Administrative Bldg., Essar Refinery Complex, Okha Highway (SH-25), Taluka Khambalia, Dist. Jamnagar 361305

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

Statement of Unaudited Financial Results for the quarter ended 30th June, 2016

Sl.No.	Particulars	₹ in crore	
		Quarter ended	
		30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
1	a) Income from operations		
	Fleet operating and chartering	174.41	194.95
	b) Other operating income	0.97	0.86
	Total income from operations	175.38	195.81
2	Expenses		
	a) Direct operating expenses	65.94	111.59
	b) Standing costs	15.53	13.44
	c) Employee benefits expense	26.18	25.58
	d) Depreciation	33.50	36.37
	e) Other expenses	3.03	3.64
	Total expenses	144.18	190.62
3	Profit from operation before other income, finance costs and tax	31.20	5.19
4	Other income	11.22	26.52
5	Profit before finance costs	42.42	31.71
6	Finance costs	92.12	76.87
7	Loss before tax	(49.70)	(45.16)
8	Tax expenses	0.75	0.78
9	Loss for the period	(50.45)	(45.94)
10	Paid-up equity share capital (face value of ₹10/- each)	206.98	205.23
11	Earnings per share (EPS) (*not annualised)		
	(a) Basic (in ₹)	*(2.44)	*(2.24)
	(b) Diluted (in ₹)	*(2.44)	*(2.24)
	See accompanying notes to the financial results		



NOTES:

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 8th September, 2016. The Statutory Auditors of the Company have carried out a Limited Review of the standalone financial results for the quarter ended June 30, 2016.
- 2 The Company has only one reportable business segment of fleet operating and chartering. Accordingly separate segment information is not required to be disclosed
- 3 a) The Indian Accounting standards (Ind-AS) with the transition date of April 1, 2015 is applicable to the Company; and accordingly the financial results for the quarters ended June 30, 2015 and June 30, 2016 have been prepared in accordance with the recognition and measurement principles laid down in Ind- AS 34 "Interim Financial reporting " prescribed under Section 133 of the companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016. The reconciliation of net profit for the quarter ended June 30, 2015 under Ind AS and previous Indian GAAP is as under:
- | Particulars | Amount ₹ In crore |
|--|-------------------|
| Net Profit after tax as per previous Indian GAAP | (22.12) |
| Effect of Foreign Exchange as per Ind- AS 21 - Effect of Changes in Foreign Exchange | (10.47) |
| Effect of Interest as per Ind- AS 109 - Financial Instruments | (13.35) |
| Net Profit after tax as per Ind- AS | (45.94) |
- b) The Company has completed the critical appraisal of the carrying value of equity investment of ₹ 4,747 crore in its wholly owned subsidiary namely Essar Oilfield Services Limited and ascertained, supported by an Independent valuer report, the impairment of ₹ 2,750 crore, which in accordance with transition provisions (Ind-AS 101) has been charged against retained earnings as of 1st April, 2015, and this has no impact on the financial results of the current quarter.
- 4 During the current quarter, the Company has entered into a sale and lease back arrangement with respect to a dry bulk carrier to its wholly owned subsidiary Essar Shipping DMCC, Dubai; and the resultant profit of ₹ 7.77 crore has been amortised over the lease period.
- 5 The Company has sold an old dry bulk carrier in July, 2016 and the resultant balance loss of ₹ 6.00 crore has been recognised in the subsequent quarter.
- 6 Results for the quarter and year ended March 31, 2016 under Ind -AS have not been given as the company has availed the exemption provided by SEBI circular dated July 5, 2016
- 7 The Ind-AS financial results and financial information for the three months ended June 30, 2015 have been compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with Ind-AS which has not been subject to limited review, being not mandatory under SEBI guidelines.
- 8 The present Managing Director will cease to be in office with effect from 9th September, 2016.
- 9 Tax expense represents tonnage tax.
- 10 The standalone financial results are available on the website of the company, www.essar.com and website of the Exchange, www.bseindia.com
- 11 The figures of the previous period have been regrouped / reclassified wherever necessary.

For and on behalf of the Board



Captain Anoop Kumar Sharma
Managing Director

Place: Mumbai

Date: 8th September, 2016



Limited Review Report**To the Board of Directors of
Essar Shipping Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Essar Shipping Limited** ("the Company") for the quarter ended June 30, 2016 together with the notes thereon attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been initiated by us for identification purposes. Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2015 including the reconciliation of loss under Ind-AS of the corresponding quarter with loss reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.
2. 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.
3. We conducted our review 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 financial results are free of material misstatement.
4. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Accounting Standards, i.e. Ind-AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **CNK & Associates LLP**

Chartered Accountants

FRN 101961W

**Manish Sampat**

Partner

Membership No. 101684

Mumbai

Date: 8th September, 2016