

**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/half year ended September 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 initialed by us for identification purposes. Attention is drawn to the fact that the figures for the corresponding quarter/half year ended September 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: December 13, 2016



**ESSAR SHIPPING 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, CIN:L61200GJ2010PLC060285

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

Statement of Standalone Unaudited Financial Results for the quarter and half year ended 30th September, 2016

		₹ in crore				
Sl.No.	Particulars	Quarter ended			Half year ended	
		30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)
1	a) Income from operations					
	Fleet operating and chartering	159.36	174.41	200.19	333.77	395.14
	b) Other operating income	1.33	0.97	0.88	2.30	1.74
	<b>Total income from operations</b>	<b>160.69</b>	<b>175.38</b>	<b>201.07</b>	<b>336.07</b>	<b>396.88</b>
2	<b>Expenses</b>					
	a) Employee benefits expense	25.90	26.14	24.76	52.04	50.34
	b) Direct operating expenses	58.76	65.94	140.37	124.70	251.96
	c) Standing costs	18.59	15.53	14.02	34.12	27.46
	d) Depreciation	33.41	33.50	38.11	66.91	74.48
	e) Other expenses (refer note 8)	11.74	3.03	3.56	14.77	7.20
	<b>Total expenses</b>	<b>148.40</b>	<b>144.14</b>	<b>220.82</b>	<b>292.54</b>	<b>411.44</b>
3	<b>Profit (loss) from operation before other income, finance costs and tax</b>	<b>12.29</b>	<b>31.24</b>	<b>(19.75)</b>	<b>43.53</b>	<b>(14.56)</b>
4	Other income	9.33	11.22	67.43	20.55	93.50
5	<b>Profit before finance costs</b>	<b>21.62</b>	<b>42.46</b>	<b>47.68</b>	<b>64.08</b>	<b>78.94</b>
6	Finance costs	82.87	92.12	87.61	174.99	165.63
7	<b>Loss before tax</b>	<b>(61.25)</b>	<b>(49.66)</b>	<b>(39.93)</b>	<b>(110.91)</b>	<b>(86.69)</b>
8	Tax expenses	0.70	0.75	0.86	1.45	1.64
9	<b>Loss after tax</b>	<b>(61.95)</b>	<b>(50.41)</b>	<b>(40.79)</b>	<b>(112.36)</b>	<b>(88.33)</b>
10	Other comprehensive income/ (loss) net of tax	2.78	(2.62)	(8.63)	0.16	(11.33)
11	<b>Total Comprehensive Income/ (loss) net of tax</b>	<b>(59.17)</b>	<b>(53.03)</b>	<b>(49.42)</b>	<b>(112.20)</b>	<b>(99.66)</b>
12	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98	205.23	206.98	205.23
13	<b>Earnings per share (EPS) (not annualised)</b>					
	(a) Basic (in ₹)	(2.86)	(2.56)	(2.41)	(5.42)	(4.86)
	(b) Diluted (in ₹)	(2.86)	(2.56)	(2.41)	(5.42)	(4.86)
14	<b>Debt service coverage ratio</b>				0.62	
15	<b>Interest service coverage ratio</b>				0.75	
16	<b>Debt equity ratio</b>				2.14	
	See accompanying notes to the financial results					

*Signature*



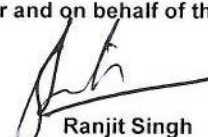


## NOTES:

1		Statement of standalone assets and liabilities as at 30th September, 2016
Particulars		₹ in crore As at 30.09.2016 (Unaudited)
<b>I. ASSETS</b>		
(1) <b>Non current assets</b>		
(a) Property, plant and equipment		1,239.55
(b) Financial assets		
(i) Investments (refer note 5)		3,282.95
(c) Other non current assets		44.24
<b>Total non-current assets</b>		<b>4,566.74</b>
(2) <b>Current assets</b>		
(a) Inventories		16.74
(b) Financial assets		
(i) Investments		1,170.37
(ii) Trade receivables		126.67
(iii) Cash and cash equivalents		20.60
(iv) Loans		26.42
(v) Other financial assets		283.18
(c) Other current assets		104.01
<b>Total current assets</b>		<b>1,747.99</b>
<b>TOTAL ASSETS</b>		<b>6,314.72</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital		206.98
(b) Other equity (refer note 5)		1,604.04
<b>Total equity</b>		<b>1,811.02</b>
<b>Liabilities</b>		
(1) <b>Non-current liabilities</b>		
(a) Financials liabilities		
(i) Borrowings		788.61
(b) Provisions		11.99
<b>Total non-current liabilities</b>		<b>800.60</b>
(2) <b>Current liabilities</b>		
(a) Financials liabilities		
(i) Borrowings		467.75
(ii) Trade payables		225.71
(iii) Other financials liabilities		2,816.11
(b) Other current liabilities		188.12
(c) Provisions		5.41
<b>Total current liabilities</b>		<b>3,703.10</b>
<b>Total liabilities</b>		<b>4,503.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,314.72</b>

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2	The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 13th December, 2016. The Statutory Auditors have carried out a Limited Review of the financial results and summary of assets and liabilities as at 30th September, 2016.																						
3	The Company has only one reportable business segment of fleet operating and chartering. Accordingly separate segment information is not required to be disclosed.																						
4	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/half year ended September 30, 2015 and September 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/half year ended September 30, 2015 under Ind AS and previous Indian GAAP is as under:																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3" style="text-align: left;">Particulars</th> <th colspan="2" style="text-align: right;">₹ in crore</th> </tr> <tr> <th colspan="2" style="text-align: center;">Profit Reconciliation</th> </tr> <tr> <th style="text-align: center;">Quarter ended 30.09.2015</th> <th style="text-align: center;">Half year ended 30.09.2015</th> </tr> </thead> <tbody> <tr> <td>Net Profit after tax as per previous Indian GAAP</td> <td style="text-align: right;">(17.12)</td> <td style="text-align: right;">(39.24)</td> </tr> <tr> <td>Effect of Changes in Foreign Exchange as per Ind- AS 21</td> <td style="text-align: right;">(15.55)</td> <td style="text-align: right;">(26.47)</td> </tr> <tr> <td>Effect of Interest as per Ind- AS 109 - Financial Instruments</td> <td style="text-align: right;">(14.50)</td> <td style="text-align: right;">(29.00)</td> </tr> <tr> <td>Capitalisation of drydock expenses</td> <td style="text-align: right;">6.38</td> <td style="text-align: right;">6.38</td> </tr> <tr> <td>Net Profit after tax (before OCI) as per Ind- AS</td> <td style="text-align: right;"><b>(40.79)</b></td> <td style="text-align: right;"><b>(88.33)</b></td> </tr> </tbody> </table>	Particulars	₹ in crore		Profit Reconciliation		Quarter ended 30.09.2015	Half year ended 30.09.2015	Net Profit after tax as per previous Indian GAAP	(17.12)	(39.24)	Effect of Changes in Foreign Exchange as per Ind- AS 21	(15.55)	(26.47)	Effect of Interest as per Ind- AS 109 - Financial Instruments	(14.50)	(29.00)	Capitalisation of drydock expenses	6.38	6.38	Net Profit after tax (before OCI) as per Ind- AS	<b>(40.79)</b>	<b>(88.33)</b>
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5	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.																						
6	Results for the year ended 31st March, 2016 and comparative figures as at 31st March, 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 quarter/half year ended 30th September, 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	Other expenses during the current quarter and six months includes loss on sale of a capesize bulk carrier amounting to ₹ 5.97 crore.																						
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(s) / year have been regrouped / reclassified wherever necessary.																						
	<p style="text-align: right;">For and on behalf of the Board</p> <div style="text-align: right;">   <b>Ranjit Singh</b>  <b>Executive Director &amp; CEO</b> </div> <p>Place: Mumbai Date: 13th December, 2016</p>																						

