

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/nine months ended December 31, 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. 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 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.
3. 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.
4. 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 there under 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

Himanshu Kishnadwala
Partner
Membership No.37391
Mumbai
Date:14th February, 2017



ESSAR SHIPPING LIMITED

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Statement of Standalone Unaudited Financial Results for the quarter and period ended 31st December, 2016

Sl.No.	Particulars	₹ in crore				
		Quarter ended			Period ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
1	a) Income from operations					
	Fleet operating and chartering	148.54	159.36	183.11	482.31	578.25
	b) Other operating income	1.16	1.33	0.89	3.46	2.63
	Total income from operations	149.70	160.69	184.00	485.77	580.88
2	Expenses					
	a) Employee benefits expense	25.94	25.90	26.97	77.98	78.18
	b) Direct operating expenses	64.93	58.76	90.57	184.08	342.53
	c) Standing costs	18.00	18.59	15.80	52.12	43.26
	d) Depreciation	34.37	33.41	37.84	101.28	112.32
	e) Other expenses	0.11	11.74	2.06	14.88	3.17
	Total expenses	143.35	148.40	173.24	430.34	579.46
3	Profit from operation before other income, finance costs and tax	6.35	12.29	10.76	55.43	1.42
4	Other income	4.74	9.33	36.26	19.74	162.53
5	Profit before finance costs	11.09	21.62	47.02	75.17	163.95
6	Finance costs	93.95	82.87	85.43	268.94	251.64
7	Loss before tax	(82.86)	(61.25)	(38.41)	(193.77)	(87.69)
8	Tax expenses	0.70	0.70	0.99	2.15	2.63
9	Loss after tax	(83.56)	(61.95)	(39.40)	(195.92)	(90.32)
10	Other comprehensive income / (loss) net of tax	0.59	2.78	4.64	0.98	(6.71)
11	Total comprehensive loss net of tax	(82.97)	(59.17)	(34.76)	(194.94)	(97.03)
12	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98	205.23	206.98	205.23
13	Earnings per share (EPS) (not annualised)					
	(a) Basic (in ₹)	(4.01)	(2.86)	(1.69)	(9.42)	(4.73)
	(b) Diluted (in ₹)	(4.01)	(2.86)	(1.69)	(9.42)	(4.73)
	See accompanying notes to the financial results					



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NOTES:

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 14th February, 2017. The Statutory Auditors have carried out a Limited Review of the above results as at 31st December, 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 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 / period ended 31st December, 2015 and 31st December, 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 unaudited net loss for the quarter / period ended 31st December, 2015 under Ind AS and previous Indian GAAP is as under:

Particulars	₹ in crore	
	Profit Reconciliation	
	Quarter ended 31.12.2015	Period ended 31.12.2015
Net Loss after tax as per previous Indian GAAP	(35.88)	(75.12)
Effect of Changes in Foreign Exchange as per Ind- AS 21	2.85	8.94
Effect of Interest as per Ind- AS 109 - Financial Instruments	(14.79)	(44.37)
Income from financial guarantee obligation as per Ind-AS 39	3.34	9.64
Capitalisation of dry-dock expenses as per Ind-AS 16	5.01	11.39
Actuarial gain /loss on employees defined benefit funds recognised in other comprehensive inc	0.07	(0.80)
Net Loss after tax (before OCI) as per Ind- AS	(39.40)	(90.32)

- 4 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.
- 5 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.
- 6 Tax expense represents tonnage tax.
- 7 The standalone financial results are available on the website of the company, www.essar.com and website of the Exchange, www.bseindia.com and www.nseindia.com
- 8 The figures of the previous period(s) have been regrouped / reclassified wherever necessary.



Place: Mumbai
Date: 14th February, 2017

For and on behalf of the Board

Ranjit Singh
Executive Director & CEO