

Essar Shipping Limited
Essar House
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Mahalaxmi
Mumbai - 400 034
India

Corporate Identity Number
L61200GJ2010PLC060285

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November 06, 2015

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

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

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

Dear Sirs,

Sub : Un-audited quarterly and half - yearly Financial Results for the quarter and half - year ended September 30, 2015
Ref : Clause 41 of the Listing Agreement

As required under Clause 41 of the Listing Agreement, please find enclosed herewith the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and half - year ended September 30, 2015 and the Limited Review Report thereon issued by the Statutory Auditors of the Company as approved by the Board of Directors at their Meeting held today i.e., Friday, November 06, 2015.

Please acknowledge and take the above on record.

Thanking you,

Yours Faithfully
For **Essar Shipping Limited**


Awaneesh Srivastava
Company Secretary



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, 2015

PART I		₹ in crore					
Sl.No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
1	a) Income from operations						
	Fleet operating and chartering	200.19	194.95	220.35	395.14	447.53	787.85
	b) Other operating income including profit on sale of fleet (net)	0.88	0.86	0.82	1.74	1.61	3.29
	Total income from operations	201.07	195.81	221.17	396.88	449.14	791.14
2	Expenses						
	a) Direct operating expenses	140.37	111.59	134.41	251.96	255.31	407.68
	b) Dry docking	6.38	-	3.78	6.38	6.77	10.93
	c) Standing costs	14.02	13.44	17.87	27.46	31.70	61.45
	d) Employee benefits expense	24.76	25.58	27.53	50.34	55.09	107.63
	e) Depreciation	38.11	36.37	36.39	74.48	71.44	143.96
	f) Other expenses	3.56	3.64	18.00	7.20	27.22	59.43
	Total expenses	227.20	190.62	237.98	417.82	447.53	791.08
3	Loss / (Profit) from operation before other income, finance costs and tax	(26.13)	5.19	(16.81)	(20.94)	1.61	0.06
4	Other income	82.98	36.99	119.93	119.97	150.88	207.76
5	Profit before finance costs	56.85	42.18	103.12	99.03	152.49	207.82
6	Finance costs	73.11	63.52	66.14	136.63	147.21	286.32
7	(Loss) / Profit before tax	(16.26)	(21.34)	36.98	(37.60)	5.28	(78.50)
8	Tax expenses	0.86	0.78	2.23	1.64	3.13	4.50
9	(Loss) / Profit for the period / year	(17.12)	(22.12)	34.75	(39.24)	2.15	(83.00)
10	Paid-up equity share capital (face value of ₹10/- each)	205.23	205.23	205.23	205.23	205.23	205.23
11	Reserves						4,600.01
12	Earnings per share (EPS) (*not annualised)						
	(a) Basic (in ₹)	*(0.83)	*(1.08)	*1.69	*(1.91)	*0.10	(4.04)
	(b) Diluted (in ₹)	*(0.83)	*(1.08)	*1.63	*(1.91)	*0.10	(4.04)
13	Paid-up debt capital				700.00	700.00	700.00
14	Debt redemption reserve				55.00	55.00	55.00
15	Debt service coverage ratio **				0.86	0.87	0.69
16	Interest service coverage ratio ***				1.27	1.52	1.23
	** DSCR= [Profit before finance costs, exceptional items and depreciation] / [Finance costs +principal repayments]						
	*** ISCR= [Profit before finance costs, exceptional items and depreciation] / Finance costs						
	See accompanying notes to the financial results						
PART II							
Select information for the quarter and half year ended 30th September, 2015							
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	5,13,06,942	5,13,06,942	5,13,06,942	5,13,06,942	5,13,06,942	5,13,06,942
	- Percentage of shareholding	25.00	25.00	25.00	25.00	25.00	25.00
2	Promoters and Promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of shares	15,38,52,711	15,38,52,711	15,38,52,711	15,38,52,711	15,38,52,711	15,38,52,711
	- Percentage of shares to the total shareholding of promoter and promoter group	99.96	99.96	99.96	99.96	99.96	99.96
	- Percentage of shares to the total share capital of the Company	74.97	74.97	74.97	74.97	74.97	74.97
	b) Non-encumbered						
	- Number of shares	68,115	68,115	68,115	68,115	68,115	68,115
	- Percentage of shares to the total shareholding of promoter and promoter group	0.04	0.04	0.04	0.04	0.04	0.04
	- Percentage of shares to the total share capital of the Company	0.03	0.03	0.03	0.03	0.03	0.03
B	INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	-					
	Received during the quarter	3					
	Disposed off during the quarter	3					
	Remaining unresolved at the end of the quarter	-					



NOTES:

1 Statement of standalone assets and liabilities as at 30th September, 2015

Particulars	₹ in crore	
	As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	205.23	205.23
(b) Reserves and surplus	4,502.34	4,600.01
	4,707.57	4,805.24
Non-current liabilities		
(a) Long-term borrowings	2,308.59	1,578.20
(b) Other long term liabilities	39.14	44.49
(c) Long-term provisions	25.10	12.88
	2,372.83	1,635.57
Current liabilities		
(a) Short-term borrowings	200.44	175.68
(b) Trade payables	461.03	241.73
(c) Other current liabilities	1,344.31	2,134.93
(d) Short-term provisions	4.63	5.52
	2,010.41	2,557.86
TOTAL	9,090.81	8,998.67
ASSETS		
Non-current assets		
(a) Fixed assets		
Tangible assets	1,470.47	1,500.43
(b) Non-current investments (in subsidiaries) (refer note no.4)	5,668.54	5,261.83
(c) Long-term loans and advances	53.65	443.28
(d) Other non-current assets	31.76	29.96
	7,224.42	7,235.50
Current assets		
(a) Current investments	1,154.26	1,099.03
(b) Inventories	14.54	14.18
(c) Trade receivables	52.12	68.90
(d) Cash and bank balances	26.48	24.40
(e) Short-term loans and advances	451.69	414.57
(f) Other current assets	167.29	142.09
	1,866.38	1,763.17
TOTAL	9,090.80	8,998.67

- 2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 6th November, 2015. The Statutory Auditors of the Company have carried out a Limited Review of the above results.
- 3 The Company has only one reportable business segment of fleet operating and chartering.
- 4 The carrying amount of investment in equity shares of Essar Oilfields Services Limited, Mauritius, a wholly owned subsidiary of the Company, is ₹ 4,747.78 crore as at 30th September, 2015. The Management had initiated an exercise of assessing the value of the said investment during the financial year 2013-14 in terms of Accounting Standard (AS) 13, "Accounting of Investments". In view of recent volatility in crude oil prices, current economic scenario and evaluation of possible up-gradation and utilization of rigs, various operational assumptions for long term projections are being assessed in detail by the Management. Pending conclusion of the said assessment, no provision for diminution in the carrying value, if any, of the aforesaid investment has been recognised as at 30th September, 2015 and the Statutory Auditors in their Limited Review Report, have expressed their inability to comment on this matter.
- 5 The approval from the share holders for delisting was obtained in November, 2014. In principle approval in this regard has also been obtained from BSE Limited and National Stock Exchange of India Limited which are valid till 16th November 2015.
- 6 The Company has accepted 14.5% Optionally Convertible Redeemable Participating Preference Shares of ₹ 10/- each amounting to Rs. 400 crore transferred from loan given to a step down subsidiary.
- 7 Tax expense includes tax on overseas dividend income and tonnage tax.
- 8 Essar Shipping DMCC, Dubai, a wholly owned subsidiary was incorporated on 5th August, 2015 and is yet to commence operations.
- 9 The Board of Directors has appointed Capt. Anoop Kumar Sharma as Managing Director of the Company.
- 10 The figures of the previous period(s) / year have been regrouped / reclassified wherever necessary.

Place: Mumbai
Date: 6th November, 2015



For and on behalf of the Board

Anoop Kumar Sharma
Managing Director

Limited Review Report**Review Report to
The Board of Directors
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 30th September 2015 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. 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 the Statement based on our review.
2. We conducted our review of the statement in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement. 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.
3. Attention is invited to Note 4 of the results regarding ongoing assessment from Financial Year 2013-14 of the "other than temporary decline" in the value of Long Term Investment of Rs. 4,747.78 crores as at 30th September 2015 in equity Shares of Essar Oilfield Services Limited, Mauritius, a wholly owned subsidiary of the company, in terms of Accounting Standard 13- Accounting for Investments, as notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) which continue to be applicable in respect of section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. We have been informed that the management has not yet concluded the process of validating various operational assumptions impacting the estimated future cash flows from the operations of the rigs of the said subsidiary, and the consequent effect on the valuation of the subsidiary to determine whether there is any decline, other than temporary in the value of the aforesaid investment. Pending conclusion of the said assessment, we are unable to comment on the extent of diminution, if any, which may be required in respect of the carrying amount of the investment.
4. Based on our review conducted as above, except for the possible effects of the matters described in paragraph 3 nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid

down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) which continue to be applicable in respect of section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement

5. In our opinion and to the best of our information and according to the explanation given to us, the statement:
 - i. Have been presented in accordance with the requirement of Clause 41 of the Listing Agreement in this regard; and
 - ii. Give a true and fair view of the net loss and other financial information of the company for the quarter/half year ended 30th September, 2015
6. Further we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of clause 35 of listing Agreements with the Stock exchanges and the particulars relating to the investor complaints disclosed in the part II –Select Information for the quarter/Half ended 30th September 2015 of the Statement, from the details furnished by the Management.

For CNK & Associates LLP
Chartered Accountants
Firm registration number: 101961W


Himanshu Kishnadwala
Partner
Membership No.: 37391



Place: Mumbai
Date: 6th November 2015

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 Consolidated Unaudited Financial Results for the quarter and half year ended 30th September, 2015

PART I		₹ In crore					
Sl.No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (refer note 7)	31.03.2015 (Audited)
1	a) Income from operations						
	i) Fleet operating and chartering	212.43	204.33	235.63	416.76	449.88	800.05
	ii) Logistics services	178.41	190.64	175.09	369.05	432.82	796.31
	iii) Oilfields services	22.19	29.78	90.88	51.97	114.37	308.32
	b) Other operating income including profit on sale of fleet (net)	1.57	1.13	1.25	2.70	2.25	5.94
	Total income from operations	414.60	425.88	502.85	840.48	999.32	1,910.62
2	Expenses						
	a) Direct operating expenses	269.02	264.68	296.61	533.70	623.46	1,027.90
	b) Dry docking	6.43	0.07	7.41	6.50	19.84	24.08
	c) Standing cost	53.65	51.92	75.57	105.57	151.70	283.00
	d) Employee benefits expense	31.33	33.90	45.39	65.23	101.91	203.40
	e) Depreciation	115.82	111.79	111.28	227.61	218.64	424.06
	f) Loss on sale of fixed assets (net)	-	-	-	-	-	20.51
	g) Other expenses	25.05	19.04	26.09	44.09	41.40	124.71
	Total expenses	501.30	481.40	562.35	982.70	1,156.95	2,107.66
3	Loss from operations before other income, finance costs and tax	(86.70)	(55.52)	(59.50)	(142.22)	(157.63)	(197.04)
4	Other income	137.32	59.57	114.26	196.89	177.05	242.67
5	Profit before finance costs and tax	50.62	4.05	54.76	54.67	19.42	45.63
6	Finance costs	119.65	116.31	89.22	235.96	188.03	477.13
7	Loss before tax	(69.03)	(112.26)	(34.46)	(181.29)	(168.61)	(431.50)
8	Tax expenses	7.06	3.44	9.46	10.50	15.44	27.38
9	Loss for the period / year before share of loss of associates	(76.09)	(115.70)	(43.92)	(191.79)	(184.05)	(458.88)
10	Share of loss of associates	(0.00)	(0.01)	(0.01)	(0.01)	(0.03)	(0.07)
11	Loss for the period / year	(76.09)	(115.71)	(43.93)	(191.80)	(184.08)	(458.95)
12	Paid-up equity share capital (face value of ₹10/- each)	205.23	205.23	205.23	205.23	205.23	205.23
13	Reserves						6,674.82
14	Earnings per share (EPS) (*not annualised)						
	(a) Basic (in ₹)	*(3.71)	*(5.64)	*(2.14)	*(9.35)	*(8.97)	(22.36)
	(b) Diluted (in ₹)	*(3.71)	*(5.64)	*(2.14)	*(9.35)	*(8.97)	(22.36)
	See accompanying notes to the financial results						
PART II		Select information for the quarter and half year ended 30th September, 2015					
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	5,13,06,942	5,13,06,942	5,13,06,942	5,13,06,942	5,13,06,942	5,13,06,942
	- Percentage of shareholding	25.00	25.00	25.00	25.00	25.00	25.00
2	Promoters and Promoter group shareholding						
	a) Pledged /Encumbered						
	- Number of shares	15,38,52,711	15,38,52,711	15,38,52,711	15,38,52,711	15,38,52,711	15,38,52,711
	- Percentage of shares to the total shareholding of promoter and promoter group	99.96	99.96	99.96	99.96	99.96	99.96
	- Percentage of shares to the total share capital of the Company	74.97	74.97	74.97	74.97	74.97	74.97
	b) Non-encumbered						
	- Number of shares	68,115	68,115	68,115	68,115	68,115	68,115
	- Percentage of shares to the total shareholding of promoter and promoter group	0.04	0.04	0.04	0.04	0.04	0.04
	- Percentage of shares to the total share capital of the Company	0.03	0.03	0.03	0.03	0.03	0.03
B	INVESTOR COMPLAINTS	Quarter ended 30.09.2015					
	Pending at the beginning of the quarter	-					
	Received during the quarter	3					
	Disposed off during the quarter	3					
	Remaining unresolved at the end of the quarter	-					



NOTES:

Statement of consolidated assets and liabilities as at 30th September, 2015

Particulars	₹ in crore	
	As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	205.23	205.23
(b) Reserves and surplus	6,742.36	6,674.82
	6,947.59	6,880.05
Non-current liabilities		
(a) Long-term borrowings	3,123.92	2,464.10
(b) Deferred tax liabilities (Net)	16.11	17.40
(c) Other long term liabilities	45.23	50.64
(d) Long-term provisions	36.93	26.80
	3,222.19	2,558.94
Current liabilities		
(a) Short-term borrowings	191.29	241.58
(b) Trade payables	992.39	763.80
(c) Other current liabilities	2,216.48	2,873.99
(d) Short-term provisions	130.20	133.89
	3,530.36	4,013.25
TOTAL		
	13,700.14	13,452.25
ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	4,004.58	4,088.00
(ii) Capital work-in-progress	79.07	78.37
(b) Goodwill on consolidation (refer note no.4)	6,013.85	5,725.86
(c) Non-current investments	62.54	62.48
(d) Long-term loans and advances	159.24	149.44
(e) Other non-current assets	88.27	86.68
	10,407.55	10,190.83
Current assets		
(a) Current investments	-	0.10
(b) Inventories	87.12	77.93
(c) Trade receivables	235.92	301.08
(d) Cash and bank balances	32.75	43.62
(e) Short-term loans and advances	1,223.12	1,139.62
(f) Other current assets	1,713.68	1,699.07
	3,292.60	3,261.42
TOTAL		
	13,700.14	13,452.25

2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 6th November, 2015. The Statutory Auditors of the Company have carried out a Limited Review of the above results.

3 The Consolidated financial results include the results of two Indian subsidiaries, three overseas subsidiaries and two associate companies. The operations include fleet operating and chartering, logistics services and oilfields services.

4 Goodwill of ₹ 6008.54 crore on consolidation in the financial statements of the group pertains to the Oilfields Services Business. The carrying amount of certain rigs (including capital work-in-progress of ₹ 79.16 crore) which have generally not been deployed for extended period of time of the said business is ₹ 335.99 crore as at 30th September, 2015. The Management had initiated an exercise of assessing the valuation of the oilfields services business during the financial year 2013-14 in terms of Accounting Standard (AS) 28, "Impairment of Assets". In view of recent volatility in crude oil prices, current economic scenario and evaluation of possible up-gradation and utilization of rigs, various operational assumptions for long term projections are being assessed in detail by the Management. Pending conclusion of the said assessment, the recoverable amounts of the goodwill and the rigs, are not yet estimated and accordingly, provision for impairment of the goodwill and the rigs, if any, has not been recognised as at 30th September, 2015 and the Statutory Auditors in their Limited Review Report have expressed their inability to comment on this matter.

5 The approval from the share holders for delisting was obtained in November, 2014. In principle approval in this regard has also been obtained from BSE Limited and National Stock Exchange of India Limited which are valid till 16th November 2015.

6 Tax expense for the period / year includes income tax , tonnage tax and deferred tax.

7 Essar Shipping DMCC, Dubai, a wholly owned subsidiary was incorporated on 5th August, 2015 and is yet to commence operations.

8 The Board of Directors has appointed Capt. Anoop Kumar Sharma as Managing Director of the Company.

9 As per Clause 41 of the Listing Agreement, the standalone financials are available on the Company's website: www.essar.com

For and on behalf of the Board

Anoop Kumar Sharma
Managing Director

Place: Mumbai
Date: 6th November, 2015

Place: Mumbai
Date: 6th November, 2015



For and on behalf of the Board

(Signature)

Anoop Kumar Sharma
Managing Director



Unaudited consolidated segment wise Revenue, Results and Capital employed for the quarter and half year ended 30th September, 2015

	₹ in crore					
	Quarter ended			Half year ended		Year ended
Particulars	30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
Segment revenue						
Operating Income						
Fleet operating and chartering	220.53	216.16	244.90	436.69	472.08	841.51
Logistics services	178.89	190.74	175.38	369.63	433.18	798.39
Oilfields services	22.79	30.35	104.55	53.14	141.50	366.66
Total	422.21	437.25	524.83	859.46	1,046.76	2,006.56
Less : Inter segment revenue	(7.61)	(11.37)	(21.98)	(18.98)	(47.44)	(95.94)
Total income from operations	414.60	425.88	502.85	840.48	999.32	1,910.62
Segment results						
Fleet operating and chartering	(27.67)	2.93	(28.36)	(24.74)	(49.92)	(72.42)
Logistics services	23.92	14.70	12.60	38.62	30.57	68.85
Oilfields services	(82.95)	(73.15)	(43.74)	(156.10)	(138.28)	(193.47)
Loss before other income and finance costs	(86.70)	(55.52)	(59.50)	(142.22)	(157.63)	(197.04)
Add: Other income	137.32	59.57	114.26	196.89	177.05	242.67
Less: Unallocated interest and finance costs	(119.65)	(116.31)	(89.22)	(235.96)	(188.03)	(477.13)
Loss before tax	(69.03)	(112.26)	(34.46)	(181.29)	(168.61)	(431.50)
Less: Tax expense	(7.06)	(3.44)	(9.46)	(10.50)	(15.44)	(27.38)
Loss for the period / year before share of loss of associates	(76.09)	(115.70)	(43.92)	(191.79)	(184.05)	(458.88)
Share of (loss) / profit of associates	(0.00)	(0.01)	(0.01)	(0.01)	(0.03)	(0.07)
Loss for the period / year	(76.09)	(115.71)	(43.93)	(191.80)	(184.08)	(458.95)
Capital employed (segment assets - segment liabilities)						
Fleet operating and chartering	1,365.96	1,592.59	1,698.04	1,365.96	1,698.04	1,598.92
Logistics services	(149.15)	(37.23)	(48.34)	(149.15)	(48.34)	(37.88)
Oilfields services	9,778.53	9,603.96	9,815.87	9,778.53	9,815.87	9,623.91
Unallocated	863.72	845.80	999.68	863.72	999.68	857.93
Total	11,859.07	12,005.12	12,465.25	11,859.07	12,465.25	12,042.88

For and on behalf of the Board



Anoop Kumar Sharma
Managing Director

Place: Mumbai

Date: 6th November, 2015



Limited Review Report**Review Report to
The Board of Directors
Essar Shipping Limited**

1. We have reviewed the accompanying statement of unaudited Consolidated financial results of **Essar Shipping Limited** ('the Company') for the quarter/half year ended 30th September 2015 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. 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 the Statement based on our review.
2. We conducted our review of the statement in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement. 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.
3. The Statement includes results of the following entities
Subsidiaries
 - a. Arkay Logistics Limited
 - b. Essar Oilfield Services Limited
 - c. Essar Oilfield Services India Limited
 - d. Energy Transportation International Limited
 - e. Energy II LimitedAssociates
 - a. Varada Drilling One Pte Limited
 - b. Varada Drilling Two Pte Limited
4. Attention is invited to Note 4 of the statement regarding Management's ongoing Assessment of possible impairment of Goodwill of Rs. 6008.54 crores related to Oilfields Services Business and that of certain Rigs of the said business having carrying amounts of Rs.335.99 crores (including Capital work-in –Progress of Rs. 79.16 crores as at 30th September 2015 in terms of Accounting Standard (AS) 28-

Impairment of Assets as notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) which continue to be applicable in respect of section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. We have been informed that the management has not yet concluded the process of validating various operational assumptions impacting the future cash flows from Oilfield Services Business and consequent effect on the recoverable amount of goodwill and aforesaid rigs. Pending conclusions of the said assessment, we are unable to comment on the extent of diminution, if any which may be required in respect of carrying amount of the aforesaid Rigs and the goodwill.

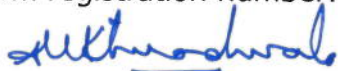
5. Based on our review conducted as above, except for the possible effects of the matters described in paragraph 4, and based on the unaudited interim financial information of associates referred to in Paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) which continue to be applicable in respect of section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The consolidated financial results include the group's share of Net profit after tax of Rs.10.57 crore for the quarter ended/ half year ended 30th September 2015, as considered in the consolidated financial results, in respect of two subsidiaries and two associates, based on their interim financial information which have not been reviewed by their auditors and are based on Management accounts. Our report on the statement, in so far as relates to the amounts and disclosures included in respect of these associates , is based solely on such unaudited financial information
7. In our opinion and to the best of our information and according to the explanation given to us, the statement:
 - i. Have been presented in accordance with the requirement of Clause 41 of the Listing Agreement in this regard; and
 - ii. Give a true and fair view of the net loss and other financial information of the company for the quarter ended/half year ended 30th September,2015

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8. Further we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of clause 35 of listing Agreements with the Stock exchanges and the particulars relating to the investor complaints disclosed in the part II –Select Information for the quarter/Half ended 30th September 2015 of the Statement, from the details furnished by the Management.

For CNK & Associates LLP
Chartered Accountants
Firm registration number: 101961W



Himanshu Kishnadwala
Partner
Membership No.: 37391



Place: Mumbai
Date: 6th November 2015