

November 03, 2018

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

Essar Shipping Limited
Essar House
11 K. K. Marg
Mahalaxmi
Mumbai - 400 034
India

Corporate Identity Number
L61200GJ2010PLC060285

T +91 22 6660 1100
F +91 22 2354 4312
www.essar.com

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

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

Dear Sir/Ma'am,

Sub: Outcome of the Board Meeting.

With reference to the captioned subject matter, we would like to inform you that a meeting of the Board of Directors was held today i.e. November 03, 2018. The Board at its meeting approved the unaudited financial results for the quarter and half year ended September 30, 2018.

Further, the Board opted for not publishing Consolidated Financial Results for the quarter and half year ended September 30, 2018 with reference to Regulation 33 (3) (b) (i) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Further, as per the recent amendments under SEBI (LODR) Regulations, 2015, the Board decided to get consent of the shareholders through Postal Ballot for regularization of the term of the Non-Executive / Independent Directors who have attained the age of 75 years or will attain the age of 75 years during their current term.

Please acknowledge the same and take it on records.

Thanking you,

For Essar Shipping Limited


Awaneesh Srivastava
Company Secretary



Encl: 1. Limited Review Report.
2. Standalone unaudited financial results for the quarter and half year ended September 30, 2018.

Independent Auditor's Report on Quarterly Standalone financial results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Essar Shipping Limited

1. We have reviewed the accompanying statement of unaudited standalone Ind-AS financial results of **Essar Shipping Limited** ("the Company") for the quarter/half year ended September 30, 2018 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, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016 which has been initiated by us for identification purposes.
2. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. 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. **Material Uncertainty Related To Going Concern:**
 - a. We draw attention to Note 5 of the standalone financial results wherein in view of the fact that current liabilities exceed the current assets, there is an indication of material uncertainty on the Company's ability to continue as a going concern. The Company has, however, represented that, as mentioned in the said note, necessary steps are being taken to remedy the said mismatch.
 - b. We draw attention to Note 7 of the standalone financial results wherein the management's assessment of possible impairment / 'other than temporary' decline in the value of long term investment in certain investee companies as per Ind AS 36 Impairment of Assets. As has been described in the said note, the management is still evaluating the financial impact, if any, which will be considered after the completion of the said exercise.

Our conclusion on the standalone financial results is not modified for the above matters.



6. 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 Ind-AS financial results prepared in accordance with applicable Indian Accounting Standards, 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 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No.: 101961 W/W-100036



Manish Sampat

Partner

Membership No.101684

Place: Mumbai

Date: November 3, 2018



ESSAR SHIPPING LIMITED

Regd. Office: EBTSL Premises, ER-2Building (Admin Building) Salaya, 44 KM, P.O. Box No.7, Taluka Khambalia, Devbhumi Dwarka, Gujarat - 361305
 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, 2018

		₹ in crore					
Sl.No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
I	Income from operations	132.99	169.54	159.90	302.53	329.64	643.41
II	Other income	2.21	1.46	1.82	3.67	14.08	60.14
III	Total income from operations (I+II)	135.20	171.00	161.72	306.20	343.72	703.55
IV	Expenses						
	a) Operating expenses	89.74	105.38	96.96	195.12	184.36	372.20
	b) Employee benefit expenses	18.22	19.70	19.92	37.92	45.48	94.28
	c) Finance costs	49.79	47.34	54.76	97.13	140.00	265.24
	d) Depreciation and amortisation expenses	27.90	25.08	31.17	52.98	62.69	125.04
	e) Other expenses (refer note 4)	41.94	34.27	0.41	76.20	15.85	21.69
	Total expenses	227.59	231.77	203.22	459.35	448.38	878.45
V	Loss for the period / year before tax and exceptional items (III-IV)	(92.39)	(60.77)	(41.50)	(153.15)	(104.66)	(174.90)
VI	Exceptional items						
	Income	-	-	-	-	-	369.81
	Expense	-	-	-	-	-	(145.50)
VII	(Loss) / Profit for the period / year after exceptional items (V-VI)	(92.39)	(60.77)	(41.50)	(153.15)	(104.66)	49.41
VIII	Tax expenses	(0.40)	(0.55)	(0.55)	(0.95)	(1.20)	(3.24)
IX	(Loss) / Profit after tax	(92.79)	(61.32)	(42.05)	(154.10)	(105.86)	46.17
X	Other comprehensive income / (expense) net of tax	0.10	0.40	0.14	0.50	0.57	0.75
XI	Total comprehensive (loss) / profit net of tax (IX+X)	(92.69)	(60.92)	(41.91)	(153.60)	(105.29)	46.92
XII	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98	206.98	206.98	206.98	206.98
XIII	Reserves (excluding revaluation reserves)						1,583.81
XIV	Earnings per share before exceptional items (EPS)						
	(a) Basic (in ₹)	*(4.48)	*(2.96)	*(2.03)	*(7.45)	*(5.11)	(8.61)
	(b) Diluted (in ₹)	*(4.48)	*(2.96)	*(2.03)	*(7.45)	*(5.11)	(8.61)
XV	Earnings per share after exceptional items (EPS)						
	(a) Basic (in ₹)	*(4.48)	*(2.96)	*(2.03)	*(7.45)	*(5.11)	2.23
	(b) Diluted (in ₹)	*(4.48)	*(2.96)	*(2.03)	*(7.45)	*(5.11)	2.23

* Not annualised



Notes:			
1			
Statement of standalone assets and liabilities as at 30th September, 2018			
Particulars	As at 30th September, 2018 ₹ In crore (Unaudited)	As at 31st March, 2018 ₹ In crore (Audited)	
ASSETS			
Non-current assets			
(a) Fixed assets			
Property, plant and equipment (refer note 10)	882.62	914.17	
(b) Investments in subsidiaries and associates	4,417.37	4,417.37	
(c) Other non-current assets	21.50	17.01	
	5,321.49	5,348.55	
Current assets			
(a) Inventories	10.99	13.93	
(b) Financial assets			
i. Trade and other receivables	57.45	56.36	
ii. Cash and cash equivalents	24.11	30.44	
iii. Loans	22.53	23.01	
iv. Other financial assets	440.60	371.66	
(c) Other current assets	66.85	58.49	
(d) Asset classified as held for sale	-	65.38	
	622.53	619.27	
TOTAL ASSETS	5,944.02	5,967.82	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	206.98	206.98	
Other Equity			
Reserves and surplus	1,430.21	1,583.81	
Total equity	1,637.19	1,790.79	
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2,086.90	2,051.25	
Total non-current liabilities	2,086.90	2,051.25	
Current liabilities			
(a) Financial liabilities			
i. Trade payables			
Due to Micro and Small Enterprises	0.16	0.19	
Due to Others	127.24	120.56	
ii. Other financial liabilities	1,714.75	1,623.10	
(b) Employee benefit obligations	5.63	6.13	
(c) Other current liabilities	372.15	375.80	
Total current liabilities	2,219.93	2,125.78	
Total liabilities	4,306.83	4,177.03	
TOTAL EQUITY AND LIABILITIES	5,944.02	5,967.82	



2	The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 3rd November, 2018. The Statutory Auditors 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	Other expenses include significant foreign exchange conversion loss of ₹ 66.53 crore and ₹ 35.22 crore for the half year / quarter ended 30.09.2018 respectively, as compared to foreign exchange conversion loss of ₹ 9.97 crore and gain of ₹ 2.31 crore for the half year / quarter ended 30.09.2017 respectively.
5	As on 30th September, 2018, the Company's Current Liabilities exceed its Current Assets. Management is taking appropriate steps to rectify this working capital deficit by negotiating with lenders to reschedule certain debt so that the maturity of the same would be extended beyond one year or through one time settlement. In view of this, these results have been prepared on a Going Concern basis. The statutory auditors have mentioned this fact in their Limited Review Report without qualifying this aspect.
6	Following the Company's (Amendment) Act, 2017 regarding the requirement for managerial remuneration, the remuneration paid to two whole-time Directors, and as approved by the shareholders, now stands regularised.
7	Evaluation of impairment of Company's investments in certain subsidiary companies, as per Ind AS 36 "Impairment of assets", is being assessed and the impact, if any, will be considered at the year end.
8	During the previous year 2017-18, the Company has recognized income from an Arbitration Award alongwith interest accrued thereon amounting to ₹ 369.81 crore. This award relates to a claim for breach of contract against a charterer. The dispute in this regard has been adjudged in favour of the Company by the Arbitrator. Although the Charterer has appealed the Award in the Delhi High Court, management is confident of a positive result from the same, hence the said amount is considered good and recoverable.
9	Two vessels which could not be deployed, have significantly impacted the revenue of the Company. The Management is making efforts to put these vessels back into operation at the earliest.
10	As on 30th September, 2018, Property, plant and equipment includes one vessel in respect of which sale agreement has been made and advance has been received.
11	The name of the step-down subsidiary Essar Oilfield Services India Limited has been changed to OGD Services Limited with effect from 29th October, 2018
12	The figures of the previous period(s) / year have been regrouped / reclassified wherever necessary.

Place: Mumbai
Date: 3rd November, 2018



For and on behalf of the Board

Ranjit Singh
Executive Director & CEO

