

Dated May 25, 2016
Corporate Relationship Department
Bombay Stock Exchange Limited,
1st Floor, P J Towers, Dalal Street,
Fort, Mumbai 400001

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

Corporate Identity Number
L61200GJ2010PLC060285

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Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai 400051

Wholesale Debt Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai 400051

Sub : Outcome of the Meeting Board of Directors held on May 25, 2016,

Ref. Regulation 33 of SEBI (LODR), regulations 2015

Dear Sir/Madam,

This is with reference of the Captioned subject matter, we would like to inform you that the following is the outcome of the meeting of Board of Directors held on May 25, 2016, which started at 12:45 p.m. and concluded at around 4:05 p.m. today;

- 1- The Board approved the Audited Standalone Financials of the Company for the quarter and year ended on March 31, 2016
- 2- The Board approved the Audited Consolidated Financials of the Company for the quarter and year ended on March 31, 2016
- 3- The Board approved to call Sixth Annual General Meeting of the Company on Aug 10, 2016 at 2:00 p.m. at the registered office of the Company.
- 4- The Board of Directors at its meeting has in-principle approved to sale of upto 51% shares in its subsidiary, Arkay Logistics Limited subject to necessary approvals.

This is for your information and records,

Thanking You,

For **Essar Shipping Limited**,

Awaneesh Srivastava


Company Secretary



Enclosure: Audited Standalone Financial Results and Auditors' Report along with Form B
Audited Consolidated Financial Results and Auditors' Report along with Form B

Independent Auditor's Report on Quarterly 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 Board of Directors of Essar Shipping Limited

1. We have audited the statement of Standalone financial results of **Essar Shipping Limited** ("the Company") for the quarter ended March 31, 2016 and the year to date results for the period **April 1, 2015 to March 31, 2016**, ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement which is the responsibility of the company's management and approved by the Board of Directors, has been prepared on the basis of the related standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 4 of the results regarding ongoing assessment of the "other than temporary decline" in the value of Long Term Investment of Rs. 4,747.78 crores as at March 31, 2016 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 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

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on the extent of diminution, if any, which may be required in respect of the carrying amount of the investment.

4. Attention is invited to Note 8 of the Statement regarding figures for the quarter ended March 31, 2016, being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter discussed in para 3 above, the statement:
 - i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 as well as the year to date results for the period from April 1, 2015 to March 31, 2016

For CNK & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W

Himanshu Kishnadwala
Partner
Membership No. 37391
Place: Mumbai
Date: May 25, 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 Audited Financial Results for the quarter and year ended 31st March, 2016

		₹ in crore				
Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.2016 (refer note no.8)	31.12.2015 (Unaudited)	31.03.2015 (refer note no.8)	31.03.2016 (Audited)	31.03.2015 (Audited)
1	a) Income from operations					
	Fleet operating and chartering	146.90	183.11	167.80	725.15	787.85
	b) Other operating income including profit on sale of fleet (net)	0.92	0.89	0.84	3.55	3.29
	Total income from operations	147.82	184.00	168.64	728.70	791.14
2	Expenses					
	a) Direct operating expenses	41.87	90.57	36.99	338.58	407.68
	b) Dry docking	0.16	5.01	1.70	11.55	10.93
	c) Standing costs	15.95	15.80	16.88	59.21	61.45
	d) Employee benefits expense	27.68	27.04	27.11	105.06	107.63
	e) Depreciation	36.75	37.84	34.75	149.07	143.96
	f) Other expenses (refer note 5)	31.60	4.91	9.17	43.71	59.43
	Total expenses	154.01	181.17	126.60	707.18	791.08
3	(Loss) / Profit from operation before other income, finance costs and tax	(6.19)	2.83	42.04	21.52	0.06
4	Other income	41.55	32.92	30.13	148.62	207.76
5	Profit before finance costs	35.36	35.75	72.17	170.14	207.82
6	Finance costs	73.10	70.64	68.75	280.37	286.32
7	(Loss) / Profit before tax	(37.74)	(34.89)	3.42	(110.23)	(78.50)
8	Tax expenses	0.76	0.99	0.72	3.39	4.50
9	(Loss) / Profit for the period / year	(38.50)	(35.88)	2.70	(113.62)	(83.00)
10	Paid-up equity share capital (face value of ₹10/- each)	206.98	205.23	205.23	206.98	205.23
11	Reserves				4,416.92	4,600.01
12	Earnings per share (EPS) (*not annualised)					
	(a) Basic (in ₹)	*(1.87)	*(1.75)	*0.13	(5.53)	(4.04)
	(b) Diluted (in ₹)	*(1.87)	*(1.75)	*0.13	(5.53)	(4.04)
13	Paid-up debt capital				700.00	700.00
14	Debenture redemption reserve				55.00	55.00
15	Debt service coverage ratio **				0.74	0.69
16	Interest service coverage ratio ***				1.14	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					



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NOTES:

1 Statement of standalone assets and liabilities as at 31st March, 2016

Particulars	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	206.98	205.23
(b) Reserves and surplus	4,416.92	4,600.01
	4,623.90	4,805.24
Non-current liabilities		
(a) Long-term borrowings	2,464.85	1,578.20
(b) Other long term liabilities	-	44.49
(c) Long-term provisions	22.11	12.88
	2,486.96	1,635.57
Current liabilities		
(a) Short-term borrowings	464.84	175.68
(b) Trade payables	272.19	241.73
(c) Other current liabilities	1,411.30	2,134.93
(d) Short-term provisions	5.16	5.52
	2,153.49	2,557.86
TOTAL	9,264.35	8,998.67
ASSETS		
Non-current assets		
(a) Fixed assets		
Tangible assets	1,287.79	1,500.43
(b) Non-current investments (in subsidiaries) (refer note no.4)	6,022.87	5,261.83
(c) Long-term loans and advances	19.62	443.28
(d) Other non-current assets	36.91	29.96
	7,367.19	7,235.50
Current assets		
(a) Current investments	1,164.64	1,099.03
(b) Inventories	17.42	14.18
(c) Trade receivables	45.59	68.90
(d) Cash and bank balances	22.64	24.40
(e) Short-term loans and advances	336.37	414.57
(f) Other current assets	310.50	142.09
	1,897.16	1,763.17
TOTAL	9,264.35	8,998.67

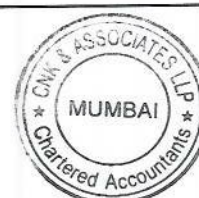
- 2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 25th May, 2016.
- 3 The Company has only one reportable business segment of fleet operating and chartering.
- 4 The carrying amount of investment in equity shares of Essar Oilfields Services Limited, Mauritius, a wholly owned subsidiary of the Company, is ₹ 4,747.78 crore as at 31st March, 2016. The Management is in 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, no provision for diminution in the carrying value, if any, of the aforesaid investment has been recognised as at 31st March, 2016 and the Statutory Auditors in their Audit Report, have expressed their inability to comment on this matter.
- 5 Other expenses during the current quarter and year includes provision for diminution in value of vessel held for sale amounting to ₹ 28.86 crore.
- 6 The Company has received an award in its favour for an amount of US\$ 47.13 million on account of arbitration initiated by the Company against a charterer for illegally terminating a Contract of Affreightment (COA) entered between the Company and the charterer and no impact of the same has been considered in the above results.
- 7 Tax expense includes tax on overseas dividend income and tonnage tax.
- 8 The figures for the quarter ended 31st March, 2016 and 31st March, 2015 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- 9 The figures of the previous period(s) / year have been regrouped / reclassified wherever necessary.

For and on behalf of the Board



Anoop Kumar Shafma
Managing Director

Place: Mumbai
Date: 25th May, 2016



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FORM B

(As per Regulation 33 (3)(d) of SEBI (Listing Obligations and Disclosures Requirements), Regulation 2015)

1.	Name of the Company:	Essar Shipping Limited
2.	Annual financial statements for the year ended	31 st March, 2016 (Standalone financial statements)
3.	Type of Audit qualification	<p>(A) The "Basis of Qualified Opinion" paragraph from the Auditors' Report is reproduced below:</p> <p>Basis of Qualified Opinion</p> <p>Attention is invited to Note 4 of the results and the relevant paragraph in the financial statements regarding ongoing assessment of the "other than temporary decline" in the value of Long Term Investment of Rs. 4,747.78 crores as at March 31, 2016 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 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.</p> <p>Qualified Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the basis of qualified opinion paragraph reproduced above, the statement:</p> <ul style="list-style-type: none"> i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 as well as the year to date results for the period from April 1, 2015 to March 31, 2016
4.	Frequency of qualification	<p>Frequency of Audit Qualification shown in Sr. no.3 above are as follows:</p> <p><u>Basis of Qualified Opinion</u></p> <p>Sr. no 3 (A) – 3 years (including 2015-16)</p>
5.	Draw attention to relevant notes in the annual financial statements and	<p>Please refer point 3 above for relevant note.</p> <p>Management's response on qualification:</p> <p>The carrying amount of investment in equity shares of Essar Oilfields Services Limited, Mauritius, a wholly owned subsidiary of the Company, is Rs. 4,747.78 crore as at 31st</p>

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	management response to the qualification in the directors report	March, 2016. The Management is in 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, no provision for diminution in the carrying value, if any, of the aforesaid investment has been recognised as at 31st March, 2016 and the Statutory Auditors in their Audit Report, have expressed their inability to comment on this matter.
6.	Additional comments from the board/audit committee chair:	Same as given in Sr.no. 5 above.

Refer our Audit Report dated 25th May, 2016
on the standalone financial statements of the Company

For CNK & Associates LLP
Chartered Accountants
(Firm's Registration No. 101961W)



H. V Kishnadwala
Membership No. 37391

MUMBAI, May 25, 2016



Captain Anoop Kumar Sharma
Managing Director



Vikram Gupta
Chief Financial Officer

MUMBAI, May 25, 2016



Captain B. S. Kumar
Audit Committee Chairman

Independent Auditor's Report on Annual Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To Board of Directors of Essar Shipping Limited**

1. We have audited the statement of consolidated financial results of Essar Shipping Limited ("the Company") for the quarter ended March 31, 2016 and the consolidated year to date results for the period April 1, 2015 to March 31, 2016, ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement which is the responsibility of the company's management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement in the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances. An audit includes assessing and examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. Attention is invited to Note 4 of the statement regarding management's ongoing assessment of possible impairment of Goodwill of Rs. 6062.56 crores related to Oilfields Services Business and that of certain Rigs of the said business having carrying amounts of Rs. 137.03 crores (including Capital work-in-progress of Rs. 79.04 crores) as at March 31, 2016 in terms of Accounting Standard (AS) 28- Impairment of Assets as notified pursuant 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 conclusion of the said assessments, 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. We did not audit the financial statements of 1 subsidiary included in the statement, whose financial statements reflect total assets of Rs. 3869.85 crores and total revenue of Rs. 49.16 crores for the year ended March 31, 2016. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated results included in the statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor.
6. The Statement includes unaudited figures in respect of 2 associates which are as approved by their management, whose financial statement reflects total assets of Rs. 49.75 crores and total revenue of Rs. Nil for the year ended March 31, 2016. In our opinion and according to the information and explanation given to us by the Management, these financial statements are not material to this Statement.
7. Attention is invited to Note 8 of the Statement regarding figures for the quarter ended March 31, 2016, being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
8. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter discussed in para 4 above, the statement:
 - i. include the quarterly financial results and year to date of the following entities as annexed to this report;
 - ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - iii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 as well as the year to date results for the period from April 1, 2015 to March 31, 2016.

For **CNK & Associates LLP**

Chartered Accountants

Firm Registration Number: 101961W


Himanshu Kishnadwala

Partner

Membership No. 37391

Place: Mumbai

Date: May 25, 2016



List of Subsidiaries consolidated

1. Arkay Logistics Limited
2. Essar Oilfield Services Limited (Mauritius)
3. Essar Oilfield Services India Limited
4. Energy Transportation International Limited
5. Energy II Limited
6. Essar Shipping DMCC

List of Associates Consolidated

1. Varada Drilling One Pte Limited
2. Varada Drilling Two Pte Limited

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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 Audited Financial Results for the quarter and year ended 31st March, 2016

		₹ In crore				
Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.2016 (Refer note 8)	31.12.2015 (Unaudited)	31.03.2015 (refer note 8)	31.03.2016 (Audited)	31.03.2015 (Audited)
1	a) Income from operations					
	i) Fleet operating and chartering	143.71	191.88	174.60	752.35	800.05
	ii) Logistics services	274.24	214.88	194.45	858.17	796.31
	iii) Oilfields services	25.93	25.58	56.22	103.48	308.32
	b) Other operating income including profit on sale of fleet (net)	1.74	1.19	1.24	5.63	5.94
	Total income from operations	445.62	433.53	426.51	1,719.63	1,910.62
2	Expenses					
	a) Direct operating expenses	201.77	258.02	148.54	993.49	1,027.90
	b) Dry docking	1.76	5.97	2.11	14.23	24.08
	c) Standing cost	59.89	54.94	66.98	220.40	283.00
	d) Employee benefits expense	36.22	35.25	48.92	136.70	203.40
	e) Depreciation	115.32	115.32	91.08	458.25	424.06
	f) Other expenses (refer note 5)	58.46	11.74	67.35	114.29	145.22
	Total expenses	473.42	481.24	424.98	1,937.36	2,107.66
3	(Loss) / Profit from operations before other income, finance costs and tax	(27.80)	(47.71)	1.53	(217.73)	(197.04)
4	Other income	13.69	55.35	34.62	265.93	242.67
5	(Loss)/ Profit before finance costs and tax	(14.11)	7.64	36.15	48.20	45.63
6	Finance costs	131.42	111.94	192.91	479.32	477.13
7	Loss before tax	(145.53)	(104.30)	(156.76)	(431.12)	(431.50)
8	Tax expenses	6.13	5.31	2.89	21.94	27.38
9	Loss for the period / year before share of loss of associates	(151.66)	(109.61)	(159.65)	(453.06)	(458.88)
10	Share of loss of associates	(0.00)	(0.02)	(0.04)	(0.03)	(0.07)
11	Loss for the period / year	(151.66)	(109.63)	(159.69)	(453.09)	(458.95)
12	Paid-up equity share capital (face value of ₹10/- each)	206.98	205.23	205.23	206.98	205.23
13	Reserves				6,526.62	6,674.82
14	Earnings per share (EPS) (*not annualised)					
	(a) Basic (in ₹)	*(7.38)	*(5.34)	*(7.78)	(22.05)	(22.36)
	(b) Diluted (in ₹)	*(7.38)	*(5.34)	*(7.78)	(22.05)	(22.36)
	See accompanying notes to the financial results					



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NOTES:**Statement of consolidated assets and liabilities as at 31st March, 2016**

Particulars	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	206.98	205.23
(b) Reserves and surplus	6,526.62	6,674.82
	6,733.60	6,880.05
Non-current liabilities		
(a) Long-term borrowings	3,219.73	2,464.10
(b) Deferred tax liabilities (Net)	15.49	17.40
(c) Other long term liabilities	6.04	50.64
(d) Long-term provisions	30.57	26.80
	3,271.83	2,558.94
Current liabilities		
(a) Short-term borrowings	511.41	241.58
(b) Trade payables	753.17	763.80
(c) Other current liabilities	2,261.09	2,873.99
(d) Short-term provisions	130.55	133.89
	3,656.22	4,013.26
	13,661.65	13,452.25
TOTAL		
ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	3,689.52	4,088.00
(ii) Capital work-in-progress	79.04	78.37
(b) Goodwill on consolidation (refer note 4)	6,067.87	5,725.86
(c) Non-current investments	62.51	62.48
(d) Deferred tax assets (Net)	-	-
(e) Long-term loans and advances	144.74	149.44
(f) Other non-current assets	44.87	86.68
	10,088.55	10,190.83
Current assets		
(a) Current investments	-	0.10
(b) Inventories	87.25	77.93
(c) Trade receivables	267.96	301.08
(d) Cash and bank balances	35.00	43.62
(e) Short-term loans and advances	1,410.93	1,139.62
(f) Other current assets	1,771.96	1,699.07
	3,573.10	3,261.42
	13,661.65	13,452.25
TOTAL		

- 2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 25th May, 2016.
- 3 The Consolidated financial results include the results of two Indian subsidiaries, four overseas subsidiaries and two associate companies. The operations include fleet operating and chartering, logistics services and oilfields services.
- 4 Goodwill of ₹ 6062.56 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 ₹ 79.04 crore) which have generally not been deployed for extended period of time of the said business is ₹ 137.02 crore as at 31st March, 2016. The Management is in 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, 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 31st March, 2016 and the Statutory Auditors in their Audit Report have expressed their inability to comment on this matter.
- 5 Other expenses during the current quarter and year includes provision for diminution in value of vessel held for sale amounting to ₹ 28.86 crore.
- 6 The Company has received an award in its favour for an amount of US\$ 47.13 million on account of arbitration initiated by the Company against a charterer for illegally terminating a Contract of Affreightment (COA) entered between the Company and the charterer and no impact of the same has been considered in the above results.
- 7 Tax expense for the period / year includes income tax, tonnage tax and deferred tax.
- 8 The figures for the quarter ended 31st March, 2016 and 31st March, 2015 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter of the relevant financial year.

For and on behalf of the Board



Anoop Kumar Sharma
Managing Director

Place: Mumbai

Date: 25th May, 2016



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Audited consolidated segment wise Revenue, Results and Capital employed for the quarter and year ended 31st March, 2016

Particulars	₹ in crore				
	Quarter ended			Year ended	
	31.03.2016 (refer note 6)	31.12.2015 (Unaudited)	31.03.2015 (refer note 6)	31.03.2016 (Audited)	31.03.2015 (Audited)
Segment revenue					
Operating Income					
Fleet operating and chartering	217.90	201.31	188.42	855.90	841.51
Logistics services	274.94	215.07	194.75	859.64	798.39
Oilfields services	26.51	26.18	73.31	105.83	366.66
Total	519.35	442.56	456.48	1,821.37	2,006.56
Less : Inter segment revenue	(73.73)	(9.03)	(29.97)	(101.74)	(95.94)
Total income from operations	445.63	433.53	426.51	1,719.63	1,910.62
Segment results					
Fleet operating and chartering	66.57	0.58	40.72	42.41	(72.42)
Logistics services	28.01	18.97	29.64	85.60	68.85
Oilfields services	(122.37)	(67.26)	(68.83)	(345.73)	(193.47)
Loss / Profit before other income and finance costs	(27.79)	(47.71)	1.53	(217.72)	(197.04)
Add: Other income	13.69	55.35	34.62	265.93	242.67
Less: Unallocated interest and finance costs	(131.42)	(111.94)	(192.91)	(479.32)	(477.13)
Loss before tax	(145.52)	(104.30)	(156.76)	(431.11)	(431.50)
Less: Tax expense	(6.13)	(5.31)	(2.89)	(21.94)	(27.38)
Loss for the period / year before share of loss of associates	(151.66)	(109.61)	(159.65)	(453.06)	(458.88)
Share of (loss) / profit of associates	(0.00)	(0.02)	(0.04)	(0.03)	(0.07)
Loss for the period / year	(151.66)	(109.63)	(159.69)	(453.09)	(458.95)
Capital employed (segment assets - segment liabilities)					
Fleet operating and chartering	1,426.07	1,446.39	1,598.92	1,426.07	1,598.92
Logistics services	61.91	(26.02)	(37.88)	61.91	(37.88)
Oilfields services	9,624.13	9,793.79	9,623.91	9,624.13	9,623.91
Unallocated	944.26	771.21	857.93	944.26	857.93
Total	12,056.37	11,985.37	12,042.88	12,056.37	12,042.88

For and on behalf of the Board



Anoop Kumar Sharma
Managing Director

Place: Mumbai

Date: 25th May, 2016



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FORM B
(As per Regulation 33 (3)(d) of SEBI (Listing Obligations and Disclosures Requirements), Regulation 2015)

1. Name of the Company:	Essar Shipping Limited
2. Annual financial statements for the year ended	31 st March, 2016 (Consolidated financial statements)
3. Type of Audit qualification	<p>(A) The "Basis of Qualified Opinion" paragraph from the Auditors' Report is reproduced below:</p> <p>Basis of Qualified Opinion</p> <p>Attention is invited to Note 4 of the statement and the relevant note in the financial statements regarding management's ongoing assessment of possible impairment of Goodwill of Rs. 6062.56 crores related to Oilfields Services Business and that of certain Rigs of the said business having carrying amounts of Rs. 137.03 crores (including Capital work-in-progress of Rs. 79.04 crores) as at March 31, 2016 in terms of Accounting Standard (AS) 28- Impairment of Assets as notified pursuant 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 conclusion of the said assessments, 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.</p> <p>Qualified Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the basis of qualified opinion paragraph reproduced above, the statement:</p> <ul style="list-style-type: none"> i. includes the quarterly financial results and year to date of the following entities as annexed to this report; ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and iii. gives a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 as well as the year to date results for the period from April 1, 2015 to March 31, 2016.
4. Frequency of qualification	<p>Frequency of Audit Qualification shown in Sr. no.3 above are as follows:</p> <p><u>Basis of Qualified Opinion</u> Sr. no 3 (A) – 3 years (including 2015-16)</p>

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5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Please refer point 3 above for relevant note. The management response to the qualification is as follows : Goodwill of Rs. 6062.56 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 Rs. 79.04 crore) which have generally not been deployed for extended period of time of the said business is Rs. 137.03 crore as at 31st March, 2016. The Management is in 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, 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 31st March, 2016 and the Statutory Auditors in their Audit Report have expressed their inability to comment on this matter.
6.	Additional comments from the board/audit committee chair:	Same as given in Sr.no. 5 above.

Refer our Audit Report dated 25th May, 2016
on the consolidated financial statements of the Company

For CNK & Associates LLP
Chartered Accountants
(Firm's Registration No. 101961W)

H. V Kishnadwala
Membership No. 37391


Captain Anoop Kumar Sharma
Managing Director

Vikram Gupta
Chief Financial Officer


Captain B. S. Kumar
Audit Committee Chairman

MUMBAI, May 25, 2016

MUMBAI, May 25, 2016