

**Essar Shipping Limited**

Essar House  
11 K. K. Marg  
Mahalaxmi  
Mumbai 400 034  
India

**Corporate Identity Number :**  
L61200GJ2010PLC060285

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**F** +91 22 2354 4312  
[www.essar.com](http://www.essar.com)

July 1, 2016

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** : **Form B for the Standalone and Consolidated financial results of the Company for the year ended March 31, 2016.**  
**Ref** : **SEBI Circular CIR/CFD/CMD/56/2016, NSE Circular NSE/CML/2016/09**

As per the requirement of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016 and NSE Circular NSE/CML/2016/09 dated June 01, 2016 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the revised Form B for the Standalone and Consolidated financial results of the Company for the year ended March 31, 2016.

Thanking you,

Yours Faithfully  
For **Essar Shipping Limited**

  
Awaneesh Srivastava  
Company Secretary



**FORM B**


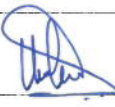



**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016**

**Essar Shipping Limited Standalone Financial Statements**

**(As per Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)**

*Figures in Rs. Crores except per share figures*

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Total Income	877.32	877.32
	2	Total Expenditure	990.94	Cannot be ascertained
	3	Net Profit / (Loss)	(113.62)	Cannot be ascertained
	4	Earnings Per Share	(5.53)	Cannot be ascertained
	5	Total Assets	9,264.35	Cannot be ascertained
	6	Total Liabilities	4,640.45	4,640.45
	7	Net Worth	4,623.90	Cannot be ascertained
II.		<b>Audit Qualification</b>		
		<b>a. Details of Audit Qualification:</b> As per Auditors' Report dated May 25, 2016: <b>"Basis of Qualified Opinion</b> 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."		
		<b>b. Type of Audit Qualification:</b> Qualified Opinion		
		<b>c. Frequency of qualification:</b> 3 years (including 2015-16)		
		<b>d. For Audit Qualification where the impact is quantified by the auditor, Management's views:</b> N/A		
		<b>e. For Audit Qualification where the impact is not quantified by the auditor:</b>		
		(i) <b>Management's estimation on the impact of the audit qualification:</b> Management is unable to estimate the impact		
		(ii) <b>If management is unable to estimate the impact, reasons for the same:</b> 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		

	<p>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.</p>
	<p><b>(iii) Auditors' Comments on (ii) above:</b> We accept management's comments as noted above.</p>
<b>III. Signatories:</b>	
<b>For Essar Shipping Limited:</b>	
<b>Captain Anoop Sharma, Managing Director</b>	
<b>Vikram Gupta, Chief Financial Officer</b>	
<b>Captain B.S. Kumar, Audit Committee Chairman</b>	
<b>For CNK &amp; Associates, LLP Chartered Accountants (Firm's Registration No. 101961W)</b>	
<b>Himanshu Kishnadwala Statutory Auditor, Membership No. 37391</b>	
<b>Place: Mumbai</b>	
<b>Date: June 14, 2016</b>	



**FORM B**




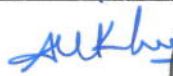
**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016**

**Essar Shipping Limited Consolidated Financial Statements**

**(As per Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)**

*Figures in Rs. Crores except per share figures*

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Total Income	1,719.63	1,719.63
	2	Total Expenditure	2,172.72	Cannot be ascertained
	3	Net Profit / (Loss)	(453.09)	Cannot be ascertained
	4	Earnings Per Share	(22.05)	Cannot be ascertained
	5	Total Assets	13,661.65	Cannot be ascertained
	6	Total Liabilities	6,928.05	6,928.05
	7	Net Worth	6,733.60	Cannot be ascertained
<b>II.</b>	<b>Audit Qualification</b>			
	<p><b>a. Details of Audit Qualification:</b> As per Auditors' Report dated May 25, 2016:</p> <p><b>"Basis of Qualified Opinion</b></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>			
	<b>b. Type of Audit Qualification:</b> Qualified Opinion			
	<b>c. Frequency of qualification:</b> 3 years (including 2015-16)			
	<b>d. For Audit Qualification where the impact is quantified by the auditor, Management's views:</b> N/A			
	<b>e. For Audit Qualification where the impact is not quantified by the auditor:</b>			
	(i)	<b>Management's estimation on the impact of the audit qualification:</b> Management is unable to estimate the impact		
	(ii)	<b>If management is unable to estimate the impact, reasons for the same:</b> Goodwill of Rs. 6,062.56 crore on consolidation in the financial statements of the Group pertains to the Oilfields Services Business. The carrying amount of		

	<p>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.</p>
	<p>(iii) <b>Auditors' Comments on (ii) above:</b> We accept management's comments as noted above.</p>
<b>III.</b>	<b>Signatories:</b>
	<b>For Essar Shipping Limited:</b>
	Captain Anoop Kumar Sharma, Managing Director 
	Vikram Gupta, Chief Financial Officer 
	Captain B.S. Kumar, Audit Committee Chairman 
	For CNK & Associates, LLP Chartered Accountants (Firm's Registration No. 101961W)
	Himanshu Kishnadwala 
	Statutory Auditor, Membership No. 37391
	Place: Mumbai
	Date: June 14, 2016

