

Essar Shipping Limited
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Mahalaxmi
Mumbai - 400 034
India.

Corporate Identity Number :
L61200GJ2010PLC060285

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May 30, 2018

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

Dear Sir,

Sub : Audited Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2018.

Ref : Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As per the requirement of Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following;

- 1- Audited Standalone and Consolidated Financial Results of the Company for FY 2017-18;
- 2- Auditors' Report for the said financials issued by M/s CNK & Associates, LLP, Chartered Accountants, Statutory Auditors of the Company.
- 3- Declaration for Unmodified Opinion on the Standalone Financial Results of the Company
- 4- Statement on Impact of Audit Qualifications for Consolidated Financial Results of the Company

This is for your information and records.

Thanking you,

Yours Faithfully
For **Essar Shipping Limited**



Awaneesh Sriyastava
Company Secretary

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 audited the attached statement of Standalone financial results of Essar Shipping Limited ("the Company") for the quarter ended March 31, 2018 and the year to date results from April 1, 2017 to March 31, 2018, ("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 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. These Standalone financial results, which are the responsibility of the Company's management and approved by the Board of Directors, have been prepared on the basis of the related financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the same.
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 standalone 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 10 of the standalone financial results regarding figures for the quarter ended March 31, 2018, 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.
4. **Emphasis of Matter**
 - a. Attention is invited to Note 5(a) of the standalone financial results wherein the company has recognized revenue amounting to Rs. 369.81 crores (including accrued interest upto March 31, 2018) as Exceptional Item based on compensation granted to the company by arbitration proceedings for breach of contract terms by a charterer.



- b. We draw attention to Note 9 of the standalone financial results which states that the company has applied to the Central Government for approval of excess remuneration of Rs. 1.41 crores to the whole time directors over and above allowed as per section 197 of the Companies Act 2013.
- c. We draw attention to Note 7 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.

Our opinion on the standalone financial results are not modified for the above matters.

5. In our opinion and to the best of our information and according to the explanations given to us, the enclosed financial results:
- are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2018 as well as the year to date results for the period from April 1, 2017 to March 31, 2018.

For C N K & Associates LLP

Chartered Accountants

Firm's Registration Number: 101961W / W-100036

Himanshu Kishnadwala

Partner

Membership No.37391

Mumbai



Date: May 30, 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 Audited Financial Results for the quarter and year ended 31st March, 2018

		₹ in crore				
Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.2018 (refer note 10)	31.12.2017 (refer note 10)	31.03.2017 (refer note 10)	31.03.2018 (Audited)	31.03.2017 (Audited)
I	Income from operations	163.04	150.73	175.43	643.41	657.74
II	Other income	26.79	29.24	131.06	60.14	132.93
III	Total income from operations (I+II)	189.83	179.97	306.49	703.55	790.67
IV	Expenses					
a)	Operating expenses	94.96	92.88	86.44	372.20	322.64
b)	Employee benefit expenses	22.50	26.30	25.31	94.28	103.29
c)	Finance costs	71.54	53.70	83.69	265.24	352.63
d)	Depreciation and amortisation expenses	30.76	31.59	35.86	125.04	137.14
e)	Other expenses	12.36	3.44	(1.94)	21.68	12.93
	Total expenses	232.13	207.91	229.36	878.45	928.63
V	(Loss) / Profit before tax (III-IV)	(42.30)	(27.94)	77.13	(174.90)	(137.96)
VI	Tax expenses (tonnage tax)	(1.44)	(0.60)	(0.50)	(3.24)	(2.65)
VII	(Loss) / Profit after tax before exceptional items(V-VI)	(43.74)	(28.54)	76.63	(178.14)	(140.61)
VIII	Exceptional items (refer note 5)					
	Income	369.81	-	-	369.81	-
	Expense	(145.50)	-	-	(145.50)	-
IX	Profit / (loss) for the year after exceptional items (VII-VIII)	180.57	(28.54)	76.63	46.17	(140.61)
X	Other comprehensive income net of tax	(0.13)	0.31	(1.36)	0.75	(0.38)
XI	Total comprehensive profit /(loss) net of tax (IX+X)	180.44	(28.23)	75.27	46.92	(140.99)
XII	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98	206.98	206.98	206.98
XIII	Reserves (excluding revaluation reserves)				1583.81	1,487.32
XIV	Earnings per share before exceptional items (EPS) (not annualised)					
	(a) Basic (in ₹)	(2.11)	(1.38)	3.70	(8.61)	(6.79)
	(b) Diluted (in ₹)	(2.11)	(1.38)	3.70	(8.61)	(6.79)
XV	Earnings per share after exceptional items (EPS) (not annualised)					
	(a) Basic (in ₹)	8.72	(1.38)	3.70	2.23	(6.79)
	(b) Diluted (in ₹)	8.72	(1.38)	3.70	2.23	(6.79)

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NOTES:

1 Statement of standalone assets and liabilities as at 31st March, 2018			
Particulars		As at 31st March, 2018 ₹ In crore	As at 31st March, 2017 ₹ In crore
ASSETS			
Non-current assets			
(a) Fixed assets			
Property, plant and equipment	914.17	1,175.90	
(b) Investments in subsidiaries and associates	4,417.37	3,611.58	
(c) Financial assets			
- Other financial assets	-	9.34	
(d) Other non-current assets	17.01	8.92	
	5,348.55	4,805.74	
Current assets			
(a) Inventories	13.93	12.49	
(b) Investments in subsidiaries	-	759.00	
(c) Financial assets			
i. Trade and other receivables	56.36	275.90	
ii. Cash and cash equivalents	30.44	28.77	
iii. Loans	23.01	25.68	
iv. Other financial assets	371.66	46.91	
(d) Other current assets	58.49	342.26	
(e) Asset classified as held for sale	65.38	-	
	619.27	1,491.01	
TOTAL ASSETS	5,967.82	6,296.75	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	206.98	206.98	
Other Equity			
Equity component of foreign currency convertible bonds	-	27.70	
Reserves and surplus	1,583.81	1,487.32	
Total equity	1,790.79	1,722.00	
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2,051.25	906.58	
Total non-current liabilities	2,051.25	906.58	
Current liabilities			
(a) Financial liabilities			
i. Borrowings	-	324.76	
ii. Trade payables	120.74	196.90	
iii. Other financial liabilities	1,623.10	3,070.49	
(b) Employee benefit obligations	6.13	5.66	
(c) Other current liabilities	375.80	70.36	
Total current liabilities	2,125.78	3,668.17	
Total liabilities	4,177.03	4,574.75	
TOTAL EQUITY AND LIABILITIES	5,967.82	6,296.75	



2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 30th May, 2018.

3 The Company has only one reportable business segment of Fleet Operating and Chartering.

4 Financial Guarantee Obligation is being accounted in accordance with Ind AS 104 with effect from 1st April,2017. Accordingly prior period comparatives have been restated.

5 Exceptional Items comprise of the following:

Particulars	₹ in crore				
	Quarter ended			Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018 (Audited)	31.03.2017 (Audited)
a) Income					
Compensation receivable by the Company for breach of contract by a Charterer including accrued interest	369.81	-	-	369.81	-
Total	369.81	-	-	369.81	-
b) Expense					
Provision for impairment in a foreign subsidiary	(67.66)	-	-	(67.66)	-
Provision for impairment in value of a vessel held-for-sale	(77.84)	-	-	(77.84)	-
Total	(145.50)	-	-	(145.50)	-

6 Foreign Currency Convertible Bonds (FCCB) of US\$240 million (₹1,537.62 crore) fell due for Redemption/Conversion on 24th August, 2017. The Company in correspondence with the FCCB holder to exercise option for conversion into equity shares. The FCCB has been classified in non-current borrowings

7 The Company's Current Liabilities exceed its Current Assets by ₹ 1,506.51 crore as at 31st March, 2018. The following steps are being taken to rectify this mismatch.

- 1) Loan from a public financial institution alongwith interest accrued thereon amounting to ₹ 1,087 crore classified as Current is expected to be rescheduled
- 2) Advance from a subsidiary for purchase of vessel amounting to ₹330 crores is not payable within one year.
- 3) Loan from an Alternate Investment Fund alongwith interest accrued thereon amounting to ₹196 crore is not payable within one year.
- 4) Loan from an NBFC alongwith interest accrued thereon amounting to ₹43 crore will not be repaid out of the Company's current assets.
- 5) Certain loans classified as current owing to covenant defaults are expected to be rescheduled such that they will not be repayable within one year.

8 During the year, Essar Shipping DMCC, UAE, the wholly owned overseas subsidiary, allotted 137,072 equity shares of AED 1,000 each.

9 The appointment of and remuneration to the two Whole-time Directors have been approved by the shareholders at the last AGM of the Company and applications to the Central Government has been made for approval of their remuneration.

10 The figures for the quarter ended 31st March, 2018 and quarter ended 31st March, 2017 are the 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.

11 The figures of the previous period(s) have been regrouped / reclassified wherever necessary.

Place: Mumbai
Date: 30th May, 2018



For and on behalf of the Board

Ranjit Singh

Ranjit Singh
Executive Director and Chief Executive Officer



Independent Auditor's Report on Quarterly and Annual Consolidated 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 audited the attached statement of Consolidated financial results of Essar Shipping Limited ("the Company") for the quarter ended March 31, 2018 and the year to date results from April 1, 2017 to March 31, 2018, ("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 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. These consolidated financial results which are the responsibility of the Company's management and approved by the Board of Directors, have been prepared on the basis of the related financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the same.
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 consolidated 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. **Basis for Qualified Opinion**
We draw attention to management's ongoing assessment of the possible impairment of certain Rigs with carrying amount of Rs. 347.69 crores (Including capital work in progress of Rs. 79.15 crores) as at March 31, 2018, some of which have not been deployed for extended period of time, in terms of Indian Accounting Standard (Ind AS) 36, Impairment of Assets. We have been informed that the Management of the company has not concluded the process of validating various operational assumptions impacting the recoverable amounts of the aforesaid Rigs. Pending conclusion of the said assessment, we are unable to comment on the provision for impairment which may be required in respect of the carrying amount of the aforesaid Rigs.



4. **Qualified Opinion**

Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the Group as at March 31, 2018.

5. **Emphasis of Matter**

- a. Attention is invited to Note 3(a) of the consolidated financial results wherein the company has recognized revenue amounting to Rs. 369.81 crores (including accrued interest upto March 31, 2018) as Exceptional Items based on compensation granted to the company by arbitration proceedings for breach of contract terms by a charterer.
- b. We draw attention to Note 7 of the consolidated financial results which state that the company has applied to the Central Government for approval of excess remuneration of Rs. 1.41 crores to the whole time directors over and above allowed as per section 197 of the Companies Act 2013.
- c. We draw attention to Note 6 of the consolidated financial results wherein in view of the fact that current liabilities exceed the current assets, there is an indication of material uncertainty on the group's ability to continue as a going concern. The group has, however, represented that, as mentioned in the said note, necessary steps are being taken to remedy the said mismatch.
- d. In case of certain subsidiaries, the respective auditors have pointed out that the concerned financial statements have been prepared on going concern basis, in view of the representation by the management that it is confident of rolling over its short term borrowings to address cash flow mismatches.

Our opinion on the consolidated financial results are not modified for the above matters.

6. **Other Matters**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs 2,190.78 crores as at March 31, 2018 and total revenues of Rs 32.84 crores for the year ended March 31 2018, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor.



The statement also includes unaudited figures in respect of three step down subsidiaries and three associates which are as certified by their management, whose financial statements reflect total assets of Rs. 3,929.93 crores as on March 31, 2018 and total revenue of Rs. 1,102.85 crores for the year ended on March 31,2018.

7. In our opinion, except for our comments in the 'Basis for Qualified Opinion' and to the best of our information and according to the explanations given to us, the consolidated financial results:
- i. are 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 true and fair view of the net loss and other financial information for the quarter ended March 31, 2018 as well as the year to date results for the period from April 1, 2017 to March 31, 2018.

For C N K & Associates LLP

Chartered Accountants

Firm's Registration Number: 101961W / W-100036



Himanshu Kishnadwala

Partner

Membership No.37391

Mumbai



Date: May 30, 2018

Annexure to the Limited Review Report on Consolidated Financial Results of Essar Shipping Limited

List of Subsidiaries/step down subsidiaries

1. Essar Oilfield Services Limited(Mauritius)
2. Essar Oilfield Services India Limited
3. Energy Transportation International Limited
4. Energy II Limited
5. Essar Shipping DMCC
6. Essar Oilfields Middle East DMCC
7. Cosmic Drilling Services Limited
8. Starbit Oilfields Services India Limited

List of Associates

1. Varada Drilling One Pte Limited
2. Varada Drilling Two Pte Limited
3. Arkay Logistics Limited



ESSAR SHIPPING LIMITED

Regd. Office: EBTSL Premises, ER-2 Building (Admin Building) Salaya, 44 KM, P.O. Box No. 7 Taluka Khambhalia,
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Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034

Statement of Consolidated Financial Results for the year ended 31st March, 2018

Sl.No.	Particulars	₹ in crore	
		Year ended	
		31.03.2018 (Audited)	31.03.2017 (Audited)
1	a) Income from operations		
	Fleet operating and chartering	920.47	932.93
	Logistics	-	1,160.73
	Rig operating and chartering	273.86	94.14
	b) Other operating income	13.42	6.18
	c) Other income	79.48	(68.60)
	Total income from operations	1,287.23	2,125.38
2	Expenses		
	a) Operating expenses	780.22	1,556.40
	b) Employee benefits expenses	143.18	212.66
	c) Other expenses	38.26	45.67
	d) Finance costs	386.80	466.98
	e) Depreciation	304.12	390.50
	Total expenses	1,652.58	2,672.21
3	Loss before tax	(365.35)	(546.83)
4	Tax expenses	(3.24)	(37.85)
5	Loss after tax before share of profit of associates	(368.59)	(584.68)
6	Share of profit of associates	(35.77)	1.24
7	Loss after tax before exceptional items	(404.36)	(583.44)
8	Exceptional items (refer note 3)		
	Income	369.81	-
	Expense	(1,650.31)	-
9	Loss for the year after exceptional items	(1,684.86)	(583.44)
	Attributable to:		
	-Shareholders of the Parent	(1,664.83)	(583.44)
	-Non-controlling interests	(20.03)	-
10	Other comprehensive income/ (loss) net of tax	0.88	(0.38)
11	Total comprehensive loss net of tax	(1,683.98)	(583.82)
	Attributable to:		
	-Shareholders of the Parent	(1,663.95)	(583.82)
	-Non-controlling interests	(20.03)	-
12	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98
13	Reserves (excluding Revaluation Reserve)	1,163.02	2,427.90
14	Earnings per share before exceptional items (EPS) (not annualised)		
	(a) Basic (in ₹)	(19.54)	(28.19)
	(b) Diluted (in ₹)	(19.54)	(28.19)
	Earnings per share after exceptional items (EPS) (not annualised)		
	(a) Basic (in ₹)	(81.40)	(28.19)
	(b) Diluted (in ₹)	(81.40)	(28.19)



NOTES:

1

Statement of consolidated assets and liabilities as at 31st March, 2018

Particulars	As at 31st March, 2018 ₹ in crore	As at 31st March, 2017 ₹ in crore
ASSETS		
Non-current assets		
Property, plant and equipment	2,625.19	3,226.28
Capital work-in-progress	77.95	136.51
Goodwill on consolidation	2,627.82	2,609.04
Investments in associates	-	37.01
Financial assets		
- Other financial assets	-	18.22
Other non-current assets	17.05	116.25
Total non-current assets	5,348.01	6,143.31
Current assets		
Inventories	71.95	74.97
Financial assets		
i. Trade and other receivables	99.16	119.69
ii. Cash and cash equivalents	55.41	39.85
iii. Loans	358.18	987.26
iv. Other financial assets	1,503.23	2,043.78
Other current assets	143.32	87.30
Assets classified as held for sale	65.38	-
Total current assets	2,296.63	3,352.85
Total assets	7,644.64	9,496.16
EQUITY AND LIABILITIES		
Equity		
Equity share capital	206.98	206.98
Other equity		
Equity component of foreign currency convertible bonds	-	27.70
Reserves and surplus	1,163.02	2,400.20
Total equity	1,370.00	2,634.88
Non-controlling interests	191.77	-
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
- Borrowings	1,754.48	793.66
Derivative liability	-	1.88
Total non-current liabilities	1,754.48	795.54
Current liabilities		
Financial liabilities		
i. Borrowings	445.83	1,088.67
ii. Trade payables	294.60	414.30
iii. Other financial liabilities	3,469.51	4,403.87
Employee benefit obligations	6.88	6.12
Current tax liabilities	21.47	22.24
Other current liabilities	90.11	130.54
Total current liabilities	4,328.39	6,065.74
Total liabilities	6,274.64	6,861.28
Total equity and liabilities	7,644.64	9,496.16



2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 30th May, 2018.

3 **Exceptional Items comprise of the following:**

Particulars	₹ in crore	
	Year ended	
	31.03.2018 (Audited)	31.03.2017 (Audited)
a) Income		
Compensation receivable by the Company for breach of contract by a Charterer including accrued interest	369.81	-
Total	369.81	
b) Expenses		
Provision for doubtful / impairment of receivables	(1,518.24)	-
Provision for impairment in value of a vessel held-for-sale	(77.84)	-
Cancellation of finance lease	(54.23)	-
Total	(1,650.31)	

4 Foreign Currency Convertible Bonds (FCCB) of US\$240 million (₹1,537.62 crore) fell due for Redemption/Conversion on 24th August, 2017. The Company is in correspondence with the FCCB holder to exercise option for conversion into equity shares. The FCCB has been classified as non-current borrowings.

5 The results for the year ended March 31, 2018 are available on the Bombay Stock Exchange website (URL: www.bseindia.com/corporates), the National Stock Exchange website (URL: www.nseindia.com/corporates) and on the Company's website (URL: www.essar.com).

6 The Company's Current Liabilities exceed its Current Assets by ₹ 2,031.76 crore as at 31st March, 2018. the following steps are being taken to rectify this mismatch.

1) Loan from a public financial institution alongwith interest accrued thereon amounting to ₹ 1,087 crore classified as Current is expected to be rescheduled based on proposal under consideration with the said institution

2) Loan from an Alternate Investment Fund alongwith interest accrued thereon amounting to ₹ 196 crore is not payable within one year

3) Loan from an NBFC alongwith interest accrued thereon amounting to ₹ 43 crore will not be repaid out of the Company's current assets.

4 Loans amounting to ₹ 600 crore borrowed by a subsidiary and classified as current (as per contractual maturity) are expected to be rolled forward by one more year.

5) Certain loans classified as current owing to covenant defaults are expected to be rescheduled such that they will not be repayable within one year.

7 The appointment of and remuneration to the two Whole-time Directors of the holding company have been approved by the shareholders at the last AGM of the Company and applications to the Central Government has been made for approval of their remuneration.

8 The figures of the previous period(s) / year have been regrouped/reclassified wherever necessary.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2018




Ranjit Singh
Executive Director
and Chief Executive Officer



ESSAR SHIPPING LIMITED

Regd. Office: EBTSL Premises, ER-2 Building (Admin Building) Salaya, 44 KM, P.O. Box No. 7 Taluka
Khambhalia, Devbhumi Dwarka, Gujarat – 361305
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Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034

Audited consolidated segment wise revenue, Results and Capital employed for the year ended 31st March, 2018

₹ in crore

Particulars	Year ended	
	31.03.2018 (Audited)	31.03.2017 (Audited)
1. Segment Revenue		
Operating Income		
Fleet operating and chartering	977.78	982.40
Logistics	-	1,233.36
Rig operating and chartering	307.56	97.39
Total	1,285.34	2,313.15
Less: Inter segment revenue	(77.59)	(119.17)
Total Income from operations	1,207.76	2,193.98
Other income -unallocated	79.48	(68.60)
Total Income	1,287.24	2,125.38
2. Segment Results		
Fleet operating and chartering	138.67	34.79
Logistics	-	150.11
Rig operating and chartering	(117.24)	-264.76
Total	21.45	(79.86)
Less: Unallocated interest and finance costs	(386.80)	(466.97)
Loss before tax	(365.35)	(546.83)
Less: Tax expense	(3.24)	(37.85)
Loss before share of profit of associates	(368.59)	(584.68)
Share of loss of associate	(35.77)	1.24
Loss for the period/year before exceptional items	(404.36)	(583.44)
Exceptional items	(1,280.50)	0.00
Loss for the period/year after exceptional items	(1,684.86)	(583.44)
3. Capital employed (segment assets-segment liabilities)		
Fleet operating and chartering	911.41	1,348.33
Oilfields services	4,130.12	6,257.08
Unallocated	1,140.65	642.76
Total	6,182.19	8,248.17

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2018




Ranjit Singh
 Executive Director
 and Chief Executive Officer



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
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May 30, 2018

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

Dear Sir,

Sub : Declaration in respect of unmodified opinion on Audited Financial Results for Year ended March 31, 2018.

Ref : Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby declare and confirm that the Statutory Auditors of the Company, M/s CNK & Associates, LLP, Chartered Accountants, have issued unmodified Audit Report on Standalone Financial Results of the Company for the Financial Year ended March 31, 2018.

Please take this information on your record.

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, 2018

Essar Shipping Limited Consolidated Financial Statements



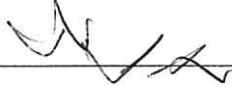

(As per Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)

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	1,287.23	1,287.23
	2	Total Expenditure*	2,972.10	Cannot be ascertained
	3	Net Profit / (Loss)	(1,684.87)	Cannot be ascertained
	4	Earnings Per Share**	(81.36)	Cannot be ascertained
	5	Total Assets	7,644.62	Cannot be ascertained
	6	Total Liabilities	6,082.85	6,082.85
	7	Net Worth	1,561.76	Cannot be ascertained
		*Including Exceptional Items		
		**after Exceptional Items		
II.	Audit Qualification			
	a.	Details of Audit Qualification: As per Auditors' Report dated May 30, 2018:		
		Basis for Qualified Opinion		
		We draw attention to management's ongoing assessment of the possible impairment of certain Rigs with carrying amount of Rs. 347.69 crores (Including capital work in progress of Rs. 79.15 crores) as at March 31, 2018, some of which have not been deployed for extended period of time, in terms of Indian Accounting Standard (Ind AS) 36, Impairment of Assets. We have been informed that the Management of the company has not concluded the process of validating various operational assumptions impacting the recoverable amounts of the aforesaid Rigs. Pending conclusion of the said assessment, we are unable to comment on the provision for impairment which may be required in respect of the carrying amount of the aforesaid Rigs.		
		Qualified Opinion		
		Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the Group as at March 31, 2018.		
	b.	Type of Audit Qualification: Qualified Opinion		
	c.	Frequency of qualification: 4 years (including 2017-18)		
	d.	For Audit Qualification where the impact is quantified by the auditor, Management's views: N/A		
	e.	For Audit Qualification where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of the audit qualification: Management is unable to estimate the impact		
	(ii)	If management is unable to estimate the impact, reasons for the same:		

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	<p>Certain rigs with a carrying amount of Rs. 347.69 crores (including capital work-in-progress of Rs. 79.15 crores) have generally not been deployed for extended period of time as at 31st March, 2018. 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. Pending conclusion of the said assessment, the recoverable amounts of the rigs, are not yet estimated and accordingly, provision for impairment of the rigs, if any, has not been recognised as at 31st March, 2018 and the Statutory Auditors in their Audit Report have expressed their inability to comment on this matter.</p>
	<p>(iii) Auditors' Comments on (ii) above: We accept management's comments as noted above.</p>
III.	Signatories:
	For Essar Shipping Limited:
	Ranjit Singh, Executive Director and Chief Executive Officer 
	Sandeep Akolkar, Chief Financial Officer 
	N Srinivasan, Audit Committee Chairman 
	<p>For CNK & Associates, LLP Chartered Accountants (Firm's Registration No. 101961W/W-100036):</p>
	Himanshu Kishnadwala  Statutory Auditor, Membership No.:37391
	Place: Mumbai
	Date: May 30, 2018

