

Date: June 29, 2020

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  
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[www.essar.com](http://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 / Madam,

**Subject: Audited Financial Results (Standalone & Consolidated) for the financial year ended March 31, 2020**

As per the requirement of the Regulation 33 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Audited Financial Results (Standalone & Consolidated) of the Company for the financial year ended March 31, 2020, along with Statutory Audit Report, duly approved by the Board of Directors at their meeting held on Monday, June 29, 2020.

Request you to kindly take the same on your record.

Thanking you,

Yours faithfully,



*Jyotsna Gupta*

**Jyotsna Gupta**  
**Company Secretary and Compliance Officer**  
**ACS-23899**  
Encl.: A/a.

**Independent Auditor's Report on Audited Standalone Quarterly Financial Results and Year to Date Results of the Essar Shipping Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**TO THE BOARD OF DIRECTORS OF  
ESSAR SHIPPING LIMITED**

**Report on the audit of the Standalone Financial Results**

**1. Opinion**

We have audited the accompanying statement of standalone financial results of **Essar Shipping Limited** ("the Company") for quarter and year ended March 31, 2020, ("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, as amended ("Listing Obligations").

2. In our opinion and to the best of our information and according to the explanations given to us, the statement:
- is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

**3. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





#### 4. Material Uncertainty Related to Going Concern

We draw attention to Note No. 5 of the standalone financial results that the Company's current liabilities exceed its current assets as on March 31, 2020. We also refer to Note No. 8 of the standalone financial results wherein it is mentioned that some of the lenders of the company have filed applications before the High Court / National Company Law Tribunals for recovery of overdue amounts and / or enforcement of guarantees. Also, the net worth of the company is substantially eroded and it is incurring continuous losses since last several quarters. These factors give rise to a material uncertainty related to Going Concern;

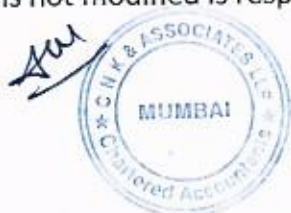
Further, as informed to us, the management is in the process of negotiating with the lenders to reschedule or settle overdue borrowings on the basis of future visible cash flows. The management has also represented that though the business has been impacted by COVID-19 (as detailed in Note No 3 of the standalone financial results), based on the future business prospects which they have evaluated, the Company expects to start making operational profits in the near future;

We have relied on the management representations as above, and based on the same, the financial results have been prepared by the management on going concern basis.

#### 5. Emphasis of Matter

- i. We draw attention to our observations in paragraph 4 above whereby, inspite of several factors mentioned therein, the results are prepared on "going Concern" basis;
- ii. We draw attention to Note No. 6 of the standalone financial results wherein the Company had recognized revenue in the financial year 2017-18 amounting to Rs. 369.81 crore (including accrued interest upto March 31, 2018) based on compensation granted to the Company by arbitration proceedings for breach of contract terms by a charterer and the same remains outstanding as on March 31, 2020. The Company is confident of full recovery of its claims. However, pending conclusion of the same, no further interest is accrued on the income;
- iii. We also draw attention to Note No. 7 of the standalone financial results which states that the Company had issued standby letter of credit (SBLC) with three banks for Rs. 687.37 crore to secure loans availed by a subsidiary, which were invoked during the year. The Company is taking up matter with respective banks to settle the loans through monetization of assets;
- iv. We draw attention to the standalone financial results, wherein company has disclosed payables to a wholly owned overseas subsidiary net of amounts receivables from the same subsidiary. This is subject to pending application and approval from the regulatory authorities.

Our Opinion is not modified in respect of the above matters.





## 6. Management's Responsibilities for the Standalone Financial Results

The statement has been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## 7. Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial control with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all





relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

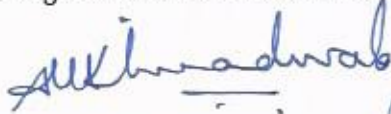
#### 8. Other matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of full financial year ended March 31, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/W - 100036



Himanshu Kishnadwala

Partner

Membership No. 37391

UDIN: 20037391AAAACY6386



Place: Mumbai

Date: June 29, 2020

**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  
esi.secretarial@essarshipping.co.in, website: www.essar.com, CIN:L61200GJ2010PLC060285

Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034

**Statement of Audited Standalone Financial Results for the quarter and year ended 31 March, 2020**

Sl.No.	Particulars	₹ in crore)				
		Quarter ended			Year ended	
		31.03.2020 (Refer note 12)	31.12.2019 (Unaudited)	31.03.2019 (Refer note 12)	31.03.2020 (Audited)	31.03.2019 (Audited)
I	Income from operations	68.25	189.15	113.64	538.47	491.92
II	Other income	1.13	2.71	30.57	12.53	43.12
III	<b>Total income from operations (I+II)</b>	<b>69.38</b>	<b>191.86</b>	<b>144.21</b>	<b>551.00</b>	<b>535.04</b>
IV	Expenses					
	a) Operating expenses	43.99	94.05	59.55	300.23	294.11
	b) Employee benefit expenses	13.89	14.22	14.53	55.40	65.43
	c) Finance costs	53.51	58.60	62.34	209.87	206.17
	d) Depreciation and amortisation expenses	28.02	27.37	25.89	110.35	103.33
	e) Other expenses	12.97	14.84	6.83	48.06	58.04
	<b>Total expenses</b>	<b>152.38</b>	<b>209.08</b>	<b>169.14</b>	<b>723.91</b>	<b>727.08</b>
V	Loss for the period / year before exceptional items and tax (III-IV)	(83.00)	(17.22)	(24.93)	(172.91)	(192.04)
VI	Exceptional items (refer note 4)	(2,779.42)	-	(1,400.00)	(2,779.42)	(1,400.00)
VII	Loss for the period / year before tax and after exceptional items (V+VI)	(2,862.42)	(17.22)	(1,424.93)	(2,952.33)	(1,592.04)
VIII	Tax expenses	(0.21)	(0.30)	(0.25)	(1.11)	(1.45)
IX	Loss after tax (VII+VIII)	(2,862.63)	(17.52)	(1,425.18)	(2,953.44)	(1,593.49)
X	Other comprehensive income net of tax	0.82	0.02	0.67	2.91	1.42
XI	Total comprehensive loss net of tax (IX+X)	(2,861.81)	(17.50)	(1,424.51)	(2,950.53)	(1,592.07)
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	-	-	-	(2,955.90)	(8.26)
XIV	Earnings per share before exceptional items (EPS)					
	(a) Basic (in ₹)	*(4.02)	*(0.85)	*(1.22)	(8.41)	(9.35)
	(b) Diluted (in ₹)	*(4.02)	*(0.85)	*(1.22)	(8.41)	(9.35)
XV	Earnings per share after exceptional items (EPS)					
	(a) Basic (in ₹)	*(138.3)	*(0.85)	*(68.86)	(142.69)	(76.99)
	(b) Diluted (in ₹)	*(138.3)	*(0.85)	*(68.86)	(142.69)	(76.99)
	* Not annualised					



Statement of Standalone Assets and Liabilities as at 31 March, 2020		
Particulars	(₹ In crore)	
	As at 31 March, 2020	As at 31 March, 2019
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	742.27	842.38
(b) Investments in subsidiaries and associates	252.66	3,017.37
(c) Financial assets		
- Other financial assets	-	19.50
(d) Other non-current assets	15.78	7.45
<b>Total non-current assets</b>	<b>1,010.71</b>	<b>3,886.70</b>
<b>Current assets</b>		
(a) Inventories	10.00	11.58
(b) Investments	-	0.01
(c) Financial assets		
i. Trade and other receivables	31.82	39.92
ii. Cash and cash equivalents	6.38	7.25
iii. Loans	0.41	19.57
iv. Other financial assets	444.22	446.30
(d) Other current assets	83.87	85.27
<b>Total current assets</b>	<b>576.70</b>	<b>609.90</b>
<b>TOTAL ASSETS</b>	<b>1,587.41</b>	<b>4,496.60</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	206.98	206.98
<b>Other Equity</b>		
Reserves and surplus	(2,955.90)	(8.26)
<b>Total equity</b>	<b>(2,748.92)</b>	<b>198.72</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1,978.36	2,261.63
<b>Total non-current liabilities</b>	<b>1,978.36</b>	<b>2,261.63</b>
<b>Current liabilities</b>		
(a) <b>Financial liabilities</b>		
i. Trade payables		
- Total outstanding dues to micro and small enterprises	0.03	0.00
- Total outstanding dues to creditors other than micro and small enterprises	116.66	133.46
ii. Other financial liabilities	2,226.67	1,537.73
(b) Employee benefit obligations	2.39	5.19
(c) Other current liabilities	12.22	359.87
<b>Total current liabilities</b>	<b>2,357.97</b>	<b>2,036.25</b>
<b>Total liabilities</b>	<b>4,336.33</b>	<b>4,297.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,587.41</b>	<b>4,496.60</b>





**ESSAR SHIPPING LIMITED**  
**Standalone Statement of Cash Flows for the year ended 31 March, 2020**

(₹ in crore)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(2,952.33)	(1,592.04)
Adjustments for :		
Exceptional Items		
- Impairment of Investment in subsidiary	2,779.42	1,400.00
Depreciation	110.35	103.33
Finance costs	209.87	206.17
Interest income	(1.20)	(4.82)
Profit/ (loss) on assets sold / disposed off	-	(3.44)
Unrealised foreign exchange gain	11.36	34.51
<b>Operating profit before working capital changes</b>	<b>157.47</b>	<b>143.71</b>
Changes in working capital:		
(Increase) / Decrease in inventories	1.58	2.35
(Increase) / Decrease in trade receivables, loans and advances and other assets	20.20	5.13
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(14.11)	(10.86)
<b>Cash generated from operations</b>	<b>165.14</b>	<b>140.33</b>
Income taxes refunded / (paid), net	(10.43)	(10.29)
<b>Net cash generated from operating activities</b>	<b>154.71</b>	<b>130.04</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure on property, plant and equipment	(5.20)	(31.55)
Proceeds from sale of property, plant and equipment	-	68.15
Investment in Mutual fund	0.01	(0.01)
Changes in Bank deposits	22.58	-
Fixed deposits placed / Matured for a period of more than three months	-	(1.55)
Interest received	1.20	4.82
<b>Net cash (used in) / generated from investing activities</b>	<b>18.59</b>	<b>39.86</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term loans	4.50	-
Repayment of intercorporate deposits	(23.57)	(13.89)
Repayment of long-term loans	(93.81)	(61.10)
Repayment of short-term loans	(4.50)	-
Repayment of finance lease obligations	-	(4.16)
Finance costs paid	(53.71)	(95.99)
<b>Net cash used in financing activities</b>	<b>(171.09)</b>	<b>(175.14)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2.21</b>	<b>(5.24)</b>
Unrealised foreign currency loss on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	4.15	9.39
<b>Cash and cash equivalents at the end of the year</b>	<b>6.36</b>	<b>4.15</b>

**Note:**

Reconciliation between cash and cash equivalents and cash and bank balances.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Cash and cash equivalents as per cash flow statement	6.36	4.15
Add: Margin money deposits not considered as cash and cash equivalents as per Ind AS-7	0.02	22.60
<b>Cash and bank balances (Restricted and Unrestricted)</b>	<b>6.38</b>	<b>26.75</b>



1 The above Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 29 June, 2020.

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

3 The global spread of COVID-19 has led to an uncertain and unpredictable path ahead for all of us. The pandemic has especially hit the shipping industry hard with a drastic reduction in cargo movements worldwide. There has been a considerable reduction in revenue of the company. The company has evaluated its liquidity position and of recoverability and carrying values of its assets and have concluded that no material adjustments required at this stage in the stand-alone financial results except note no. 4 below.

4 Exceptional Items comprise of the following:

Particulars	Quarter ended			Year ended	
	31.03.2020 (Refer note 12)	31.12.2019 (Unaudited)	31.03.2019 (Refer note 12)	31.03.2020 (Audited)	31.03.2019 (Audited)
Provision for impairment as per Ind AS 36 in the fair value of the subsidiaries based on management assessment & valuation report	(2,728.94)	-	(1,400.00)	(2,728.94)	(1,400.00)
Provision for impairment as per Ind AS 36 in the fair value of the associate based on management assessment & valuation report	(35.77)	-	-	(35.77)	-
Provision for impairment of loans & advances receivable from subsidiary	(14.71)	-	-	(14.71)	-
<b>Total</b>	<b>(2,779.42)</b>	<b>-</b>	<b>(1,400.00)</b>	<b>(2,779.42)</b>	<b>(1,400.00)</b>

5 As on 31 March, 2020, the Company's current liabilities exceeds its current assets. The management is taking appropriate steps to rectify this working capital deficit by negotiating with lenders to settle the loans through monetizing it's assets. The management is hopeful for arriving at a mutually agreed settlement. Based on the business prospects, the Company would begin making Operational profits in the near future. In view of these, the financials have been prepared on a Going Concern basis. The Statutory Auditors have mentioned this fact in their report without qualifying this aspect.

6 During the year 2017-18, the Company had recognized income from an Arbitration Award along with interest accrued thereon amounting to ₹ 369.81 crore. The dispute in this regard has been adjudged in favour of the Company by the Arbitrator. On the direction of the Supreme Court, the contractor has deposited 50% of the awarded amount with the Court, pending disposal of the case. The interest on the awarded amount will be considered on final adjudication of the case. The Statutory Auditors have drawn attention to this note in their report without qualifying this aspect.

7 Three banks invoked Standby Letter of Credits (SBLCs) for ₹ 687.37 crore issued on behalf of the Company to secure the loan availed by overseas subsidiary. The same has been recognized in financial statements. The Company is taking up matter with respective banks to settle the loan through monetization of assets.

8 a Three banks have moved before Debts Recovery Tribunal (DRT), Delhi, one bank has moved before National Company Law Tribunal (NCLT), Mumbai & one NBFC has moved before National Company Law Tribunal (NCLT), Ahmedabad for recovery of ₹ 451.35 crore (as per the notices) under the guarantee given by the company on behalf of a subsidiary company. The bank has also filed similar application against the said subsidiary. Matter is pending for adjudication.

b A Non-Banking Financial Institution has initiated legal proceeding against the Company in The Bombay High Court & National Company Law Tribunal, Ahmedabad for recovery of ₹ 35 crore (including penal interest, legal expenses & other charges). The company is countering the legal proceedings.

c A lender moved before National Company Law Tribunal (NCLT), Ahmedabad against the Company for recovery ₹ 22.15 crore. Matter is pending for adjudication.

9 Loan from a public financial institution along with interest accrued thereon amounting to ₹ 1,352.49 crore is classified as current liability, for which the Company has received in-principle approval for one-time settlement (OTS) from the lender.

10 The Company has not opted for tax rates as inserted by Sec. 115BAA of the Income Tax Act, 1961.

11 An overseas subsidiary company has been liquidated on 12 March, 2020. Provision for impairment of investment by the Company was made in the earlier years.

12 The figures for the quarter ended 31 March, 2020 and quarter 31 March, 2019 are the balancing figures between the audited figures in respect of the full financial year & the published year to date figures up to the third quarter of the relevant financial year.

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

Place : Mumbai  
Place : 29 June, 2020



For and on behalf of the Board

*Rahul Bhargava*  
Capt. Rahul Bhargava  
Director





**Independent Auditor's Review Report on Consolidated Financial Results and Year to Date Results of the Essar Shipping Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

**To the Board of Directors of  
Essar Shipping Limited**

**Report on the audit of the Consolidated Financial Results**

**1. Opinion**

We have audited the accompanying statement of consolidated financial results of **Essar Shipping Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate for the quarter and year ended March 31, 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements /financial results/ financial information of the subsidiary and associate, the aforesaid consolidated financial results:
- includes the results of the subsidiaries and associates as given in the Annexure to this report;
  - are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard;
  - give a true and fair view in conformity with applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2020.

**3. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India



together with the ethical requirements that are relevant to our audit of the consolidated financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### 4. Material Uncertainty Related to Going Concern

We draw attention to Note No. 6 of the consolidated financial results that the Group's current liabilities exceed its current assets as on March 31, 2020. We also refer to Note No. 9 of the consolidated financial results wherein it is mentioned that some of the lenders of the Group have filed applications before the High Court/National Company Law Tribunals for recovery of overdue amounts and/or enforcement of guarantees. Also, the Group has been incurring continuous losses. These factors give rise to material uncertainty related to going concern;

Further, as informed to us, the management is in the process of negotiating with the lenders to reschedule or settle overdue borrowings on the basis of future visible cash flows. The management has also represented that though the business has been impacted by COVID-19 (as detailed in Note No 3 of the consolidated financial results), based on the future business prospects which they have evaluated, the Group expects to start making operational profits in the near future.

We have relied on the management representations as above, and based on the same, the financial results have been prepared by the management on going concern basis.

#### 5. Emphasis of Matter

- a. We draw attention to our observations in paragraph 4 above whereby, inspite of several factors mentioned therein, the results are prepared on "going Concern" basis;
- b. We draw attention to Note No. 7 of the Consolidated financial results wherein the Parent had recognized revenue in the financial year 2017-18 amounting to Rs.369.81 crore (including accrued interest up to 31 March 2018) based on compensation granted to the Parent by arbitration proceedings for breach of contract terms by a charterer and the same remains outstanding as on March 31, 2020. The Parent is confident of full recovery





of its claims. However pending conclusion of the same, no further interest is accrued for the same;

- c. We draw attention to Note No. 8 of the consolidated financial results which states that the Holding Company had issued standby letter of credits (SBLCs) with three banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked during the period. The Group is taking up matter with respective banks to settle the loans through monetization of assets;
- 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 is not modified for the above matters.

#### 6. Management's Responsibilities for the Consolidated financial results

These consolidated financial results have been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.



In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

## 7. Auditor's Responsibilities for the Audit of the Consolidated financial results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion whether the company has adequate internal financial control with reference to standalone financial statements in place and the operating effectiveness of such controls.

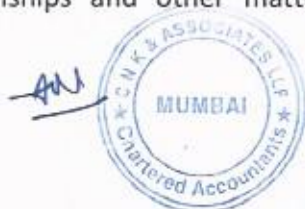




- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the Group and its associate to express an opinion on consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our



independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### 8. Other Matters

- a. The accompanying consolidated financial results include audited Financial Statements of one subsidiary which reflect total assets of Rs. 207.75 crore as at March 31, 2020, total revenues of Rs. 65.92 crore, and total comprehensive income (comprising of net loss after tax and other comprehensive income) of Rs. 22.25 crore for the year ended on March 31, 2020, which have been audited by other auditor whose financial statements, other financial information and auditor's report have been furnished to us by the management. 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 report of such other auditor and the procedures performed by us are as stated in paragraph above.
- b. The consolidated financial results include the unaudited Financial Results of two step-down subsidiaries and one associate, whose Financial Statements reflect Group's share of total assets of Rs. 6.83 crore as at March 31, 2020, Group's share of total revenue of Rs. 0.78 crore and Group's share of total net loss after tax of Rs. 7.42 crore for the year ended on March 31, 2020. These unaudited Financial Statements and other unaudited financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on such unaudited Financial Statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these unaudited Financial Statements and other unaudited financial information are not material to the Group.
- c. One Subsidiary have been liquidated & two associate companies having an investment value of Rs.62.54 crore have not been consolidated since they are under liquidation.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.



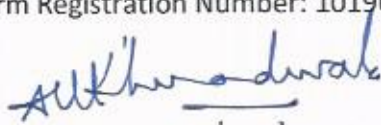


The consolidated financial results includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration Number: 101961W / W-100036



**Himanshu Kishnadwala**

Partner

Membership No.37391

UDIN: 20037391AAAACZ4344



Mumbai

Date: June 29, 2020

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

**List of Subsidiaries/step down subsidiaries**

1. OGD Services Holdings Limited (formerly known as Essar Oilfields Services Limited) (Mauritius)
2. OGD Services Limited (formerly known as Essar Oilfield Services India Limited)
3. Energy Transportation International Limited (liquidated)
4. Energy II Limited
5. Essar Shipping DMCC
6. Essar Oilfields Middle East DMCC
7. Starbit Oilfields Services India Limited

**List of Associates**

1. Varada Drilling One Pte Limited (under liquidation)
2. Varada Drilling Two Pte Limited (under liquidation)
3. Arkay Logistics Limited

*AW*



ESSAR SHIPPING LIMITED						
Regd. Office: EBTSL Premises, ER-2Building (Admin Building) Salaya, 44 KM, P.O. Box No.7, Taluka Khamballa, Devbhumi Dwarka, Gujarat - 361305 esl.secretarial@essarshipping.co.in, website: www.essar.com, CIN:L61200GJ2010PLC060285						
Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahaxmi, Mumbai 400 034						
Statement of Audited Consolidated Financial Results for the quarter and year ended 31 March, 2020						
Sl.No.	Particulars	(₹ In crore)				
		Quarter ended			Year ended	
		31.03.2020 (Refer note 13)	31.12.2019 (Unaudited)	31.03.2019 (Refer note 13)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	a) Income from operations					
	Fleet operating and chartering	157.26	310.82	216.83	1,037.89	937.10
	Rig operating and chartering	66.74	67.60	95.42	291.03	361.51
	Other operating income	5.56	3.37	3.23	15.24	10.57
	b) Other income	88.01	5.83	18.30	150.14	57.30
	<b>Total Income from operations</b>	<b>319.57</b>	<b>387.62</b>	<b>333.78</b>	<b>1,494.30</b>	<b>1,366.48</b>
2	Expenses					
	a) Operating expenses	177.96	243.32	186.44	898.90	782.71
	b) Employee benefits expenses	26.06	27.55	30.11	111.56	125.59
	c) Finance costs	114.30	124.44	138.06	432.58	395.74
	d) Depreciation	43.55	43.09	72.55	172.25	282.49
	e) Other expenses	18.49	31.14	7.52	73.09	69.11
	<b>Total expenses</b>	<b>380.36</b>	<b>469.54</b>	<b>434.68</b>	<b>1,688.38</b>	<b>1,655.64</b>
3	<b>Profit / (Loss) for the period / year before exceptional items, tax and share of profit of associate</b>	<b>(60.79)</b>	<b>(81.92)</b>	<b>(100.90)</b>	<b>(194.08)</b>	<b>(289.16)</b>
4	Exceptional items (refer note 4)	(1,484.40)	(7.26)	(3,486.97)	(1,491.66)	(3,486.97)
5	<b>Profit / (Loss) for the period / year after exceptional items and before tax</b>	<b>(1,545.19)</b>	<b>(89.18)</b>	<b>(3,587.87)</b>	<b>(1,685.74)</b>	<b>(3,776.13)</b>
6	Tax expenses	(0.21)	(0.30)	(0.25)	(1.11)	(1.45)
7	<b>Profit / (Loss) for the period / year after tax before share of profit of</b>	<b>(1,545.40)</b>	<b>(89.48)</b>	<b>(3,588.12)</b>	<b>(1,686.85)</b>	<b>(3,777.58)</b>
8	Share of profit / (loss) of associate	5.81	(5.81)	6.21	-	6.21
9	<b>Profit / (Loss) for the period / year after share of profit / (loss) of associate</b>	<b>(1,539.59)</b>	<b>(95.29)</b>	<b>(3,581.91)</b>	<b>(1,686.85)</b>	<b>(3,771.37)</b>
	Attributable to:					
	-Shareholders of the Parent	(1,537.66)	(89.26)	(3,584.82)	(1,681.50)	(3,775.30)
	-Non-controlling interests	(1.93)	(6.01)	2.91	(5.35)	3.93
10	Other comprehensive income net of tax	0.77	0.03	0.73	2.91	1.48
11	<b>Total comprehensive profit / (loss) net of tax</b>	<b>(1,538.82)</b>	<b>(95.26)</b>	<b>(3,581.18)</b>	<b>(1,683.94)</b>	<b>(3,769.89)</b>
	Attributable to:					
	-Shareholders of the Parent	(1,536.90)	(89.25)	(3,584.09)	(1,678.59)	(3,773.62)
	-Non-controlling interests	(1.92)	(6.01)	2.91	(5.35)	3.93
12	<b>Paid-up equity share capital (face value of ₹10/- each)</b>	<b>206.98</b>	<b>206.98</b>	<b>206.98</b>	<b>206.98</b>	<b>206.98</b>
13	<b>Total Reserves</b>				<b>(4,428.44)</b>	<b>(2,116.51)</b>
14	<b>Earnings per share before exceptional items (EPS)</b>					
	(a) Basic (in ₹)					
	(b) Diluted (in ₹)	*(2.67)	*(4.25)	*(4.59)	(9.43)	(13.74)
15	<b>Earnings per share after exceptional items (EPS)</b>					
	(a) Basic (in ₹)	*(74.38)	*(4.6)	*(173.06)	(81.5)	(182.21)
	(b) Diluted (in ₹)	*(74.38)	*(4.6)	*(173.06)	(81.5)	(182.21)
	* Not annualised					



Statement of Consolidated Assets and Liabilities as at 31 March, 2020		
Particulars	(₹ In crore)	
	As at 31 March, 2020 (Audited)	As at 31 March, 2019 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	1,002.81	1,812.42
(b) Capital work-in-progress	10.80	10.80
(c) Goodwill on consolidation	-	1,336.31
(d) Investments	0.00	41.98
(e) Financial assets		
- Other financial assets	0.49	19.50
(f) Other non-current assets	15.78	7.45
<b>Total non-current assets</b>	<b>1,029.88</b>	<b>3,228.46</b>
<b>Current assets</b>		
(a) Investments	-	0.01
(b) Inventories	21.65	30.01
(c) Financial assets		
i. Trade and other receivables	71.99	155.63
ii. Cash and cash equivalents	44.30	24.64
iii. Loans	464.76	380.35
iv. Other financial assets	497.42	562.87
(d) Other current assets	215.44	180.62
<b>Total current assets</b>	<b>1,315.56</b>	<b>1,334.13</b>
<b>TOTAL ASSETS</b>	<b>2,345.44</b>	<b>4,562.59</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	206.98	206.98
<b>Other Equity</b>		
Reserves and surplus	(4,428.44)	(2,110.51)
Non-controlling interests	261.45	261.80
<b>Total equity</b>	<b>(3,960.00)</b>	<b>(1,641.73)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	1,974.95	1,904.19
<b>Total non-current liabilities</b>	<b>1,974.95</b>	<b>1,904.19</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
i. Trade payables	260.90	284.84
ii. Other financial liabilities	4,013.37	3,916.39
(b) Employee benefit obligations	2.58	5.47
(c) Current tax liabilities	26.48	16.92
(d) Other current liabilities	27.16	82.51
<b>Total current liabilities</b>	<b>4,330.49</b>	<b>4,306.13</b>
<b>Total liabilities</b>	<b>6,305.44</b>	<b>6,210.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,345.44</b>	<b>4,562.59</b>





ESSAR SHIPPING LIMITED

Consolidated Statement of Cash Flows for the period ended 31 March, 2020

(₹ in crore)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(1,685.74)	(3,776.13)
Adjustments for :		
Exceptional Items	71.33	1,110.59
Provision / Impairment for doubtful receivables / Advances		
Provision for impairment as per Ind AS 36 in the fair value of the an associate based on management assessment & valuation report	35.77	-
Impairment of fixed assets / capital work-in-progress	664.46	687.62
Impairment of goodwill	720.10	1,688.76
Depreciation	172.25	282.49
Finance costs	432.58	395.74
Interest income	(142.13)	(26.55)
Unrealised foreign exchange gain	(6.53)	(0.96)
<b>Operating profit before working capital changes</b>	<b>262.09</b>	<b>361.55</b>
Changes in working capital:		
(Increase) / Decrease in inventories	8.36	41.94
(Increase) / Decrease in trade receivables, loans and advances and other assets	42.82	(200.63)
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(84.33)	(27.53)
<b>Cash generated from operations</b>	<b>228.94</b>	<b>175.34</b>
Income taxes refunded / (paid), net	(18.66)	(18.28)
<b>Net cash generated from operating activities</b>	<b>210.28</b>	<b>157.06</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure on property, plant and equipment	(33.65)	(26.31)
Proceeds from sale of property, plant and equipment	-	65.38
Proceeds from sale of Mutual fund	0.01	-
Security deposit received/(refunded)	-	(72.23)
Proceeds/(Investment) in Bank deposits	27.57	-
Expenditure on Investments	41.98	(6.21)
Fixed deposits placed/(matured) for a period of more than three months	-	(4.19)
Interest received	142.13	37.97
<b>Net cash (used in) / generated from investing activities</b>	<b>178.04</b>	<b>(5.59)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term loans	-	747.99
Proceeds from intercorporate deposits	83.68	38.58
Repayment of long-term loans	(129.74)	(151.39)
Repayment of short-term loans	-	(445.83)
Repayment of other deposits	-	(82.34)
Finance costs paid	(216.65)	(343.23)
<b>Net cash used in financing activities</b>	<b>(262.71)</b>	<b>(236.21)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>125.61</b>	<b>(84.75)</b>
Foreign currency translation reserve	(103.23)	69.28
Cash and cash equivalents at the beginning of the year	16.74	32.20
<b>Cash and cash equivalents at the end of the year</b>	<b>39.12</b>	<b>16.74</b>

Note:

Reconciliation between cash and cash equivalents and cash and bank balances.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Cash and cash equivalents as per cash flow statement	39.12	16.74
Add: margin money deposits not considered as cash and cash equivalents as per IND AS-7	5.18	7.90
<b>Cash and bank balances (Restricted and Unrestricted)</b>	<b>44.30</b>	<b>24.64</b>



**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@essarshipping.co.in, website: www.essar.com, CIN:L61200GJ2010PLC060285

Head Office: Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034

Audited Consolidated Segment wise Revenue, Results and Capital employed for the quarter and year ended 31 March, 2020

Particulars	(₹ in crore)				
	Quarter ended			Year ended	
	31.03.2020 (Refer note 13)	31.12.2019 (Unaudited)	31.03.2019 (Refer note 13)	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>Segment Revenue</b>					
Operating Income					
Fleet operating and chartering	167.42	314.28	221.02	1,058.35	979.76
Rig operating and chartering	88.35	87.30	119.11	367.57	442.14
<b>Total</b>	<b>255.77</b>	<b>401.58</b>	<b>340.13</b>	<b>1,425.92</b>	<b>1,421.90</b>
Less: Inter segment revenue	(24.20)	(19.78)	(24.65)	(81.76)	(112.72)
<b>Total Income from operations</b>	<b>231.57</b>	<b>381.80</b>	<b>315.48</b>	<b>1,344.16</b>	<b>1,309.18</b>
Other income unallocated	88.00	5.82	18.30	150.14	57.30
<b>Total Income</b>	<b>319.57</b>	<b>387.62</b>	<b>333.78</b>	<b>1,494.30</b>	<b>1,366.48</b>
<b>Segment Results</b>					
Fleet operating and chartering	(20.79)	34.83	74.72	84.12	113.22
Rig operating and chartering	74.27	7.69	(37.53)	154.34	(6.64)
<b>Total</b>	<b>53.48</b>	<b>42.51</b>	<b>37.19</b>	<b>238.46</b>	<b>106.58</b>
Less: Unallocated interest and finance costs	(114.27)	(124.44)	(138.09)	(432.54)	(395.74)
<b>Profit / (Loss) before tax</b>	<b>(60.79)</b>	<b>(81.92)</b>	<b>(100.90)</b>	<b>(194.08)</b>	<b>(289.16)</b>
Exceptional items	(1,484.40)	(7.26)	(3,486.97)	(1,491.00)	(3,486.97)
<b>Profit / (Loss) for the period / year after exceptional items</b>	<b>(1,545.19)</b>	<b>(89.19)</b>	<b>(3,587.87)</b>	<b>(1,685.74)</b>	<b>(3,776.13)</b>
Less: Tax expense	(0.21)	(0.30)	(0.25)	(1.11)	(1.45)
<b>Profit / (Loss) for the period / year before share of profit of associate</b>	<b>(1,545.40)</b>	<b>(89.49)</b>	<b>(3,588.12)</b>	<b>(1,686.85)</b>	<b>(3,777.58)</b>
Share of profit / (loss) of associate	5.81	(5.81)	6.21	-	6.21
<b>Profit / (Loss) for the period / year after share of profit / (loss) of</b>	<b>(1,539.59)</b>	<b>(95.29)</b>	<b>(3,581.91)</b>	<b>(1,686.85)</b>	<b>(3,771.37)</b>
<b>Capital employed (segment assets-segment liabilities)</b>					
Fleet operating and chartering	(773.46)	(1,016.07)	(686.60)	(773.46)	(686.60)
- Assets	900.09	1,038.36	1,076.69	900.09	1,076.69
- Liabilities	(1,673.55)	(2,054.44)	(1,763.29)	(1,673.55)	(1,763.29)
Oilfields services	(1,204.69)	1,266.94	772.45	(1,204.69)	772.45
- Assets	483.17	2,926.61	2,542.69	483.17	2,542.69
- Liabilities	(1,687.86)	(1,659.66)	(1,770.24)	(1,687.86)	(1,770.24)
Unallocated	(6.90)	344.68	170.61	(6.90)	170.61
- Assets	962.18	1,271.82	943.22	962.18	943.22
- Liabilities	(969.08)	(927.14)	(772.61)	(969.08)	(772.61)
<b>Total</b>	<b>(1,985.05)</b>	<b>595.55</b>	<b>256.46</b>	<b>(1,985.05)</b>	<b>256.46</b>

For and on behalf of the Board

*Capt. Rahul Bhargava*  
 Capt. Rahul Bhargava  
 Director



Mumbai  
 29 June, 2020



1 The above Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 29 June, 2020.

2 The Consolidated Financial Results include results of the Company, three overseas subsidiaries, two stepdown subsidiaries and an associate company. The statement also includes unaudited figures in respect of one step-down subsidiary and one associate company which are as certified by their management and does not include two associate companies since they are under liquidation.

3 The global spread of COVID-19 has led to an uncertain and unpredictable path ahead for all of us. The pandemic has especially hit the industries in which the group companies are associated. There has been a considerable reduction in revenue of the group. The group has evaluated its liquidity position and of recoverability and carrying values of its assets and have concluded that no material adjustments required at this stage in the consolidated financial results except note no. 4 below.

4 Exceptional Items comprise of the following:

Particulars	Quarter ended			Year ended	
	31.03.2020 (Refer note 13)	31.12.2019 (Unaudited)	31.03.2019 (Refer note 13)	31.03.2020 (Audited)	31.03.2019 (Audited)
Provision / Impairment for doubtful receivables / Advances	84.07	7.26	1,110.59	71.33	1,110.59
Provision for impairment as per Ind AS 36 in the fair value of the an associate based on management assessment & valuation report	35.77	-	-	35.77	-
Impairment of fixed assets / capital work-in-progress	664.46	-	687.62	664.46	687.62
Impairment of goodwill	720.10	-	1,688.76	720.10	1,688.76
<b>Total</b>	<b>1,484.40</b>	<b>7.26</b>	<b>3,486.97</b>	<b>1,491.66</b>	<b>3,486.97</b>

5 The results for the quarter & year ended 31 March, 2020 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 As on 31 March, 2020, the Group's current liabilities exceeds its current assets. The management is taking appropriate steps to rectify this working capital deficit by negotiating with lenders to settle the loans through monetizing its assets. The management is hopeful for arriving at a mutually agreed settlement. Based on the business prospects, the Group would begin making operational profits in the near future. In view of these, the financials have been prepared on a Going Concern basis. The Statutory Auditors have mentioned this fact in their report without qualifying this aspect.

7 During the year 2017-18, the Holding Company had recognized income from an Arbitration Award along with interest accrued thereon amounting to ₹ 369.81 crore. The dispute in this regard has been adjudged in favour of the Company by the Arbitrator. On the direction of the Supreme Court, the contractor has deposited 50% of the awarded amount with the Court, pending disposal of the case. The interest on the awarded amount will be considered on final adjudication of the case. The Statutory Auditors have drawn attention to this note in their Limited Review Report without qualifying this aspect.

8 Three banks invoked Standby Letter of Credits (SBLCs) for ₹ 687.37 crore issued on behalf of the Holding Company to secure the loan availed by overseas subsidiary. The same has been recognized in financial statements. The Holding Company is taking up matter with respective banks to settle the loan through monetization of assets.

9 a Three banks have moved before Debts Recovery Tribunal (DRT), Delhi, one bank has moved before National Company Law Tribunal (NCLT), Mumbai & one NBFC has moved before National Company Law Tribunal (NCLT), Ahmedabad for recovery ₹ 451.35 crore (as per the notices) under the guarantee given by the Holding Company on behalf of a subsidiary company. The bank has also filed similar application against the said subsidiary. Matter is pending for adjudication.

b A Non-Banking Financial Institution has initiated legal proceeding against the Holding Company in The Bombay High Court & National Company Law Tribunal, Ahmedabad for recovery of ₹ 35 crore (including penal interest, legal expenses & other charges). The Holding Company is countering the legal proceedings.

c A lender moved before National Company Law Tribunal (NCLT), Ahmedabad against the Holding Company for recovery of ₹ 22.15 crore. Matter is pending for adjudication.

10 Loan from a public financial institution along with interest accrued thereon amounting to ₹ 1,352.49 crore is classified as current liability, for which the Holding Company has received in-principle approval for one-time settlement (OTS) from the lender.

11 The Indian Companies of the group has not opted for tax rates as inserted by Sec. 115BAA of the Income Tax Act, 1961.

12 An overseas subsidiary company has been liquidated on 12 March, 2020. Provision for impairment of investment by the Holding Company was made in earlier years. The said company has not been included in Consolidated Financial Statements.

13 The figures for the quarter ended 31 March, 2019 and quarter 31 March, 2020 are the balancing figures between the audited figures in respect of the full financial year & the published year to date figures up to the third quarter of the relevant financial year.

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

Mumbai  
29 June, 2020



For and on behalf of the Board  
*[Signature]*  
Capt. Rajul Bhargava  
Director

