

Date: 30<sup>th</sup> May, 2022

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  
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Fax: +91 22 2659 8237/38  
Mumbai - 400 051  
NSE Code: ESSARSHPNG

The Manager  
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"Exchange Plaza"  
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Wholesale Debt Department  
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Fax: +91 22 2659 8237/38  
Mumbai - 400 051  
NSE Code: ESSARSHPNG



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

Corporate Identification Number  
L61200GJ2010PLC060285  
T + 91 22 6660 1100  
F + 91 22 2354 4312  
[www.essar.com](http://www.essar.com)

Dear Sir/Madam,

**Subject: Outcome of Board Meeting**

This is to inform you that the Board of Directors of the Company at its meeting held on Monday, 30<sup>th</sup> May, 2022 have inter-alia; considered and approved:

1. Audited Financial results (Standalone and Consolidated) of the Company for the quarter and financial year ended 31st March, 2022 along with Auditors Report.
2. Reclassification of M/s. Arcelor Mittal Nippon Steel India Limited from "Promoter & Promoter category to Public category"
3. Reclassification of M/s. Imperial Consultants & Securities Limited from "Promoter & Promoter category to Public category" subject approval of Shareholders in the ensuing General Meeting
4. Appointment of Mr. Sunil Modak (**DIN:09623865**) as an Additional Director (Independent Non-Executive Director) of the Company

Essar Shipping Limited

Registered Office: EBTSL Premises, ER-2 Building (Admn Bldg), Salaya, 44 KM, P.O. Box No.7, Taluka Khambalia, Devbhumi Dwarka,Gujarat-361305 T +91 2833 661444 F +91 2833661366

Email Id: [esl.secretarial@essarshipping.co.in](mailto:esl.secretarial@essarshipping.co.in)



5. Appointment of Ms. Raji Chandrasekhar (**DIN: 09623673**) as an Additional Director (Independent Non-Executive Director) of the Company

We shall intimate you in due course the date on which the Company will hold its Annual General Meeting for the financial year ended March 31, 2022.

The meeting of Board of Directors of the Company commenced at 11.30 AM and concluded at 05.15 PM

Request you to kindly take the same on your records

Yours faithfully,

**For Essar Shipping Limited**

**Nisha Barnwal**  
**Company Secretary & Compliance Officer**  
**ACS: 66804**

**Independent Auditor's Report on Audited Standalone Financial Results of 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 31<sup>st</sup> March 2022, ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Obligations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") 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 31<sup>st</sup> March 2022.

**2. 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.

**3. Material Uncertainty Related to Going Concern**

We draw attention to Note No. 4 and Note No. 5 of the Standalone Financial Results wherein it is stated that

- The Company's current liabilities exceed its current assets as on 31<sup>st</sup> March 2022
- Some of the Lenders of the Company's Subsidiary (where the Company is a Guarantor) and the Company's lenders and Public Financial Institution have filed applications before



- the High Court / National Company Law Tribunal / Debt Recovery Tribunals for recovery of overdue amounts and / or enforcement of guarantees
- The Company has disposed off most of its assets with prior approval of the lenders to pay off its outstanding dues to lenders / vendors and has no revenue generating assets as at the year-end
  - The value of the security offered in connection with various borrowings as at 31<sup>st</sup> March 2022 is lower than the amounts outstanding to the lenders from last several years due to downturn in shipping and oilfield markets
  - The net worth of the Company is eroded and it is incurring continuous losses since last several years

The above factors give rise to a material uncertainty related to the Company's ability to continue as a Going Concern.

Further, as informed to us, the management is exploring business opportunity of In-chartering in the shipping sector.(as referred in Note No.4(d) of Standalone Financial Results)

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

#### 4. Emphasis of Matter

- i. We draw attention to Note No.8 of the Standalone Financial Results relating to recognition of revenue amounting to Rs. 369.81 crore (including accrued interest up to 31<sup>st</sup> March 2018) in the financial year 2017-18 based on compensation granted to the Company in the arbitration proceedings for breach of contract terms by a charterer of which Rs. 305.81 crore remains outstanding receivable as on 31<sup>st</sup> March 2022. As informed to us, the Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1<sup>st</sup> April 2018 till 31<sup>st</sup> March 2022.
- ii. We draw attention to Note No.6 of the Standalone Financial Results relating to Standby Letter of Credit (SBLC) issued by the Company with three banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked in an earlier year. The Company has taken up matter with respective banks to settle the loans through monetization of assets. The Company has paid due to three banks. Of the three banks, two banks have issued No due certificate for the same. Balance one bank will provide no due certificate on the basis of agreed milestone as mentioned in One Time Settlement (OTS).
- iii. We draw attention to Note No. 9(A) of the Standalone Financial Statements, relating to netting off of amount payable to a wholly owned overseas subsidiary with the amount receivable from the said subsidiary. This is subject to pending application and approval from the regulatory authorities.



- iv. The Company has availed loans from banks and financial institutions which are secured by charge over various movable and immovable assets of the Company as well as subsidiary/ associate/ group companies and corporate guarantee of the ultimate Parent Company. The value of the security as at 31<sup>st</sup> March 2022 is lower than the amount outstanding as at that date due to downturn in shipping and oilfield markets from last several years.
- v. The Company has issued Non Convertible Debentures which are inter alia secured by a charge over six rigs owned by one of its subsidiary companies. Out of the six rigs, three rigs owned by the said subsidiary have been taken possession and disposed off / sold by the said vendor with a view to recover the dues from the said subsidiary Company. The transaction has been intimated by the said subsidiary to the debenture holder.
- vi. Borrowings from various lenders are subject to confirmation / reconciliation.

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

#### **5. 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 intend 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.



## 6. 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;
- Evaluate the appropriateness and reasonableness of disclosures made by the board of Directors in terms of the requirement specified under Regulation 33 of Listing Regulations;
- 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;
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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.

## 7. Other matter

The Statement includes the results for the quarter ended 31<sup>st</sup> March 2022 being the balancing figures between the audited figures in respect of full financial year ended 31<sup>st</sup> March 2022 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: 22037391AJVRKC5329

Place: Mumbai  
Date: 30<sup>th</sup> May 2022



## Statement of Standalone Assets and Liabilities as at 31 March, 2022

(₹ in crore)

Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	0.14	687.58
(b) Investments in subsidiaries and associates	35.77	252.66
(c) Financial assets		
- Other financial assets	-	-
(c) Other non-current assets	1.84	9.07
<b>Total non-current assets</b>	<b>37.75</b>	<b>949.31</b>
<b>Current assets</b>		
(a) Inventories	-	9.27
(b) Financial assets		
i. Investments	1.61	6.23
ii. Trade and other receivables	5.50	12.77
iii. Cash and cash equivalents	18.93	13.19
iv. Loans	0.00	6.41
v. Other financial assets	310.57	440.22
(c) Other current assets	26.93	39.76
(e) Asset classified as held for sale	-	-
<b>Total current assets</b>	<b>363.54</b>	<b>527.85</b>
<b>TOTAL ASSETS</b>	<b>401.29</b>	<b>1,477.16</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	206.98	206.98
<b>Other Equity</b>		
Reserves and surplus	(3,503.32)	(3,253.58)
<b>Total equity</b>	<b>(3,296.35)</b>	<b>(3,046.61)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1,664.99	1,853.58
<b>Total non-current liabilities</b>	<b>1,664.99</b>	<b>1,853.58</b>
<b>Current liabilities</b>		
(a) <b>Financial liabilities</b>		
i. Borrowings	846.55	1,449.55
ii. Trade payables		
- Total outstanding dues to micro and small enterprises	-	0.27
- Total outstanding dues to creditors other than micro and small enterprises	32.57	146.08
iii. Other financial liabilities	1,150.51	1,062.47
(b) Employee benefit obligations	2.83	2.48
(c) Other current liabilities	0.19	9.33
<b>Total current liabilities</b>	<b>2,032.65</b>	<b>2,670.18</b>
<b>Total liabilities</b>	<b>3,697.64</b>	<b>4,523.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>401.29</b>	<b>1,477.16</b>

Ravesh D. Desai





**ESSAR SHIPPING LIMITED**

Regd. Office: EBTSL Premises, ER-2 Building (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

**Statement of Audited Standalone Financial Results for the quarter and year ended 31 March, 2022**

SI.No.	Particulars	(₹ in crore)				
		Quarter ended			Year ended	
		31.03.2022 (Refer Note 9)	31.12.2021 (Unaudited)	31.03.2021 (Refer Note 9)	31.03.2022 (Audited)	31.03.2021 (Audited)
I	Income from operations	8.43	18.01	32.86	140.03	165.92
II	Other income					
	a) Profit on sale of ships and other assets (net)	8.41	60.99	1.02	99.35	1.02
	b) Other Income	57.41	3.99	7.65	62.71	8.95
III	<b>Total income from operations (I+II)</b>	<b>74.24</b>	<b>82.99</b>	<b>41.53</b>	<b>302.09</b>	<b>175.89</b>
IV	<b>Expenses</b>					
	a) Operating expenses	2.29	5.92	18.24	61.22	84.35
	b) Employee benefit expenses	2.94	6.17	12.55	33.39	52.62
	c) Finance costs	41.50	44.27	47.50	180.22	212.16
	d) Depreciation and amortisation expenses	(0.00)	3.68	29.37	45.26	112.53
	e) Other expenses	0.72	2.23	4.31	6.56	12.29
	<b>Total expenses</b>	<b>47.46</b>	<b>62.27</b>	<b>111.97</b>	<b>326.66</b>	<b>473.95</b>
V	<b>Profit / (Loss) for the period / year before exceptional items and tax (III-IV)</b>	<b>26.78</b>	<b>20.72</b>	<b>(70.44)</b>	<b>(24.57)</b>	<b>(298.06)</b>
VI	<b>Exceptional items (refer Note no.3)</b>					
	Income	210.56	29.35	-	570.56	0.79
	Expense	(1.00)	(6.05)	-	(795.71)	-
VII	<b>Profit / (Loss) for the period / year before tax and after exceptional items (V+VI)</b>	<b>236.35</b>	<b>44.02</b>	<b>(70.44)</b>	<b>(249.71)</b>	<b>(297.27)</b>
VIII	Tax expenses	-	-	(0.16)	(0.26)	(0.62)
IX	<b>Profit / (Loss) after tax (VII+VIII)</b>	<b>236.35</b>	<b>44.02</b>	<b>(70.60)</b>	<b>(249.97)</b>	<b>(297.89)</b>
X	Other comprehensive income net of tax	0.43	-	0.33	0.23	0.20
XI	<b>Total comprehensive loss net of tax (IX+X)</b>	<b>236.77</b>	<b>44.02</b>	<b>(70.27)</b>	<b>(249.75)</b>	<b>(297.69)</b>
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	-	-	-	(3,503.32)	(3,253.58)
XIV	<b>Earnings per share before exceptional items (EPS)</b>					
	(a) Basic (in ₹)	1.29	1.00	*(3.41)	*(1.2)	(14.43)
	(b) Diluted (in ₹)	1.29	1.00	*(3.41)	*(1.2)	(14.43)
XV	<b>Earnings per share after exceptional items (EPS)</b>					
	(a) Basic (in ₹)	11.42	2.13	*(3.41)	*(12.08)	(14.39)
	(b) Diluted (in ₹)	11.42	2.13	*(3.41)	*(12.08)	(14.39)

\* Not annualised

*Ravishankar Desai*



1 The above Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 30 May, 2022.

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

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

Particulars	Quarter ended			Year ended	
	31.03.2022 (Refer Note 9)	31.12.2021 (Unaudited)	31.03.2021 (Refer Note 9)	31.03.2022 (Audited)	31.03.2021 (Audited)
<b>Income</b>					
Reversal of Provision for impairment of loans & advances receivable from subsidiary	-	(0.00)	-	0.66	0.79
Reversal of provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment.	-	-	-	35.77	-
Gain on foreclosure of Finance Lease	-	0.00	-	294.16	-
Profit on sale of compulsory convertible preference shares of Subsidiary Company (Net of write back of provision for diminution made in earlier years Rs. 629 crore)	-	0.00	-	0.06	-
Gain from One Time Settlement of Loans	210.56	29.35	-	239.91	-
<b>Expense</b>					
Provision for impairment as per Ind AS 36 in the fair value of subsidiaries based on independent valuation report	-	(0.00)	-	252.66	-
Provision for impairment of loans and advances receivable from subsidiary	1.00	6.05	-	543.05	-

4 a) Pursuant to approval taken from Shareholders in the meeting held on 30 September, 2020, the Company has monetised the assets and proceeds from the same has been paid to lenders, which has reduced the current liabilities of the Company. The Company re-paid term loans aggregating to Rs. 524 crore approx by monetising its assets and recognised Rs. 239.91 crore (Rs. 210.56 during the quarter) as Gain from One Time Settlement of Loans as exceptional income. No due certificates received from the respective lenders.

b) Such monetisation included sale of one Tanker vessel & three Bulker vessels (two bulker vessels during the quarter) and the Company has recognised profit on sale of vessel of Rs. 99.35 crore (Rs. 8.41 crores during the quarter) in the Statement of Profit & Loss. The Company has disposed off most of its assets with prior approval of the lenders to pay off its outstanding dues to lenders / vendors and has no revenue generating assets as at the year-end.

c) The Company has availed loans from banks and financial institutions which are secured by charge over various movable and immovable assets of the Company as well as subsidiary/ associate/ group companies and corporate guarantee of the ultimate Parent Company. The value of the security as at 31st March 2022 is lower than the amount outstanding as at that date due to downturn in shipping and oilfield markets from last several years.

d) As on 31 March 2022, The net worth of the Company is eroded as it is incurring losses since last several years. The Company has accumulated losses of Rs. 8,514.51 crore as against share capital and reserves of Rs. 5,011.19 crore and the Company's current liabilities exceeds its current assets. The Management is exploring business opportunity of In-chartering in the Shipping sector. In view of these, the Financials have been prepared on a Going Concern basis.

5 Some of the Lenders of the Company's Subsidiary (where the Company is a Guarantor) and the Company's lenders and Public Financial Institution have filed suit against the Company before the Bombay High Court / NCLT / DRT for recovery of loans granted to the Company / subsidiary companies (Company is a Guarantor). Company is defending all such proceedings.

6 The Company has issued Standby Letter of Credit (SBLC) to three banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked in an earlier year. The Company has taken up matter with respective banks to settle the loans through monetization of assets. The company has paid due to three banks. Of the three banks, two banks have issued No due certificate for the same. Balance one bank will provide no due certificate on the basis of agreed milestone as mentioned in One Time Settlement (OTS) plan.

7 The Company has issued Non Convertible Debentures which are inter alia secured by a charge over six rigs owned by one of its subsidiary companies. Out of the six rigs, three rigs owned by the said subsidiary have been taken possession and disposed off / sold by the said vendor with a view to recover the dues from the said subsidiary Company. The transaction has been intimated by the said subsidiary to the debenture holder.

8 During the year 2017-18, the Company had recognized income from an Arbitration Award along with interest accrued thereon amounting to Rs. 369.81 crore. The dispute in this regard has been adjudged in favor 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.

9 The figures for the quarter ended 31.03.2022 and 31.03.2021 are the balancing figures between the audited figures in respect of the full financial year 2021-22 and 2020-21 and the published unaudited year to date figures up to the third quarter ended 31.12.2021 and 31.12.2020 respectively.

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



Place : Mumbai  
Date : 30 May, 2022

For and on behalf of the Board

*Rajesh D. Desai*  
Rajesh Desai  
Director

ESSAR SHIPPING LIMITED		
Standalone Statement of Cash Flows for the year ended 31 March, 2022		
( ₹ in crore)		
Particulars	Period ended 31 March, 2022	Year ended 31 March, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(249.71)	(297.27)
Adjustments for :		
Exceptional Items		
- Reversal of Provision for impairment of loans & advances receivable from subsidiary	(0.66)	(0.79)
- Provision for impairment as per Ind AS 36 in the fair value of subsidiaries based on management assessment and valuation report	252.66	-
- Provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment and valuation report	-	-
- Reversal of provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment.	(35.77)	-
- Provision for impairment of loans and advances receivable from subsidiary	543.05	-
- Gain on foreclose of Finance Lease	(294.16)	-
- Profit on sale of compulsory convertible preference shares of OGD Services Ltd.	(0.06)	-
Gain on sale/Fair Vale of current investment measured at FVTPL	(0.33)	(0.28)
Gain on One Time Settlement	(239.91)	-
Other non-operating income	(46.55)	-
Depreciation	45.26	112.53
Finance costs	180.22	212.16
Profit on sale of fleet	(99.35)	-
Interest income	(15.10)	(1.27)
Unrealised foreign exchange gains	(0.83)	4.47
<b>Operating profit before working capital changes</b>	<b>38.76</b>	<b>29.55</b>
Changes in working capital:		
(Increase) / Decrease in inventories	9.27	0.73
(Increase) / Decrease in trade receivables, loans and advances and other assets	(118.00)	26.61
Increase / (Decrease) in trade payables, other liabilities and short term provisions	45.54	5.56
<b>Cash generated from operations</b>	<b>(24.43)</b>	<b>62.45</b>
Income taxes refunded / (paid), net	8.05	41.78
<b>Net cash generated from operating activities</b>	<b>(16.38)</b>	<b>104.23</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment of capital expenditure on Property, Plant and Equipment including capital advances and Capital Work in Progress	-	(52.89)
Proceeds from sale of property, plant and equipment	-	-
Proceeds from sale of vessel	358.37	-
(Purchase) / Sale of Current Investments (Net)	4.95	(5.95)
Proceeds/(Investment) in Bank deposits	(11.43)	0.02
Proceeds from sale of investments	0.06	-
Intercompany deposits given to Subsidiary	(6.41)	(6.00)
Intercompany deposits repaid back by Subsidiary	98.19	0.79
Interest received	15.10	1.27
<b>Net cash (used in) / generated from investing activities</b>	<b>458.83</b>	<b>(62.76)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Deposits	129.66	-
Proceeds from intercompany deposits	-	10.30
Repayment of intercompany deposits	(70.25)	(11.69)
Repayment of long-term loans	(508.03)	(18.16)
Repayment of short-term loans	-	-
Finance costs paid	0.49	(15.09)
<b>Net cash used in financing activities</b>	<b>(448.13)</b>	<b>(34.64)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5.69)</b>	<b>6.83</b>
Unrealised foreign currency loss on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	13.19	6.36
<b>Cash and cash equivalents at the end of the year</b>	<b>7.50</b>	<b>13.19</b>

**Note:**

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents as per cash flow statement	7.50	13.19
Add: Margin money deposits not considered as cash and cash equivalents as per Ind AS-7	4.00	0.02
<b>Cash and bank balances (Restricted and Unrestricted)</b>	<b>11.50</b>	<b>13.21</b>



Rusekh B. Ghem



**Independent Auditor's Report on Consolidated Financial Results of 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 (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity for the quarter and year ended March 31, 2022, 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 subsidiaries, associates and jointly controlled entity, the aforesaid Consolidated Financial Results:
- includes the results of the subsidiaries, associates and jointly controlled entity 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, 2022.



### 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 Matters" 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. 5 and 6 of the Consolidated Financial Results wherein it is stated that

- The Group's current liabilities exceed its current assets as on 31<sup>st</sup> March, 2022.
- Some of the lenders of one of the subsidiaries (where the Holding Company is a Guarantor) and the Holding Company's lenders and Public Financial Institution have filed applications before the High Court / National Company Law Tribunals / Debt Recovery Tribunals for recovery of overdue amounts and / or enforcement of guarantees.
- The Holding Company has disposed off most of its assets, with prior approval of lenders, to pay off its outstanding dues to lenders / vendors and has no revenue generating assets as at the year end.
- The value of the security offered in connection with various borrowings as at 31<sup>st</sup> March 2022 is lower than the amounts outstanding to the lenders.
- The net worth of the Group has eroded, and the Group has been incurring continuous losses since last several years.

The above factors give rise to material uncertainty related to the Group's ability to continue as a Going Concern;

As informed to us, the management is exploring business opportunity of in-chartering in the shipping sector. (Refer Note No. 5(d) of Consolidated Financial Results).

We have relied on the management representations as above, and based on the same, these Consolidated 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, in spite of several factors mentioned therein, the results are prepared on "Going Concern" basis;
- b. In case of certain subsidiaries, the respective auditors have pointed out that the concerned financial statements / results 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.
- c. We draw attention to Note No. 9 of the Consolidated Financial Results relating to recognition of revenue amounting to Rs. 369.81 crore (including accrued interest up to 31<sup>st</sup> March 2018) in the financial year 2017-18 based on compensation granted to the Holding Company in the arbitration proceedings for breach of contract terms by a charterer of which Rs. 305.81 crore remains outstanding receivable as on 31<sup>st</sup> March 2022. As informed to us, the Holding Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1<sup>st</sup> April 2018 till 31<sup>st</sup> March 2022.
- d. We draw attention to Note No. 7 of the Consolidated Financial Statements relating to Standby Letter of Credit (SBLC) issued by the Company with three banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked in an earlier year. The Company has taken up matter with respective banks to settle the loans through monetization of assets. The Company has paid due to three banks. Of the three banks, two banks have issued no due certificate for the same. The third bank will provide no due certificate on the basis of agreed milestone as mentioned in One Time Settlement (OTS).
- e. In case of one subsidiary, during the year Bare Boat Charter Demise with the Holding Company has been cancelled resulting in loss of USD 39.59 on foreclosure of lease. Further, the vessels repossessed have since been sold resulting in a loss of USD 39.02.
- f. In case of the Holding Company and one of the subsidiaries, the Company has availed loans from banks and financial institutions which are secured by charge over various movable and immovable assets and corporate guarantee of the intermediate Holding Company. Majority of the immovable assets have either been held for sale or have been sold. The value of the security as at 31<sup>st</sup> March 2022 is lower than the amount outstanding as at that date due to downturn in shipping and oilfield markets from last several years.
- g. The Holding Company has issued Non-Convertible Debentures which are inter alia secured by a charge over six rigs owned by one of its subsidiaries. Out of the six rigs, three rigs owned by the said subsidiary have been disposed off / sold by a vendor with a view to recover the dues from the said subsidiary Company to the said vendor. The said transaction has been intimated by the subsidiary to the debenture holder.
- h. In case of a subsidiary, during the year, the Company has entered into a settlement agreement with one of its lenders to settle the outstanding dues to the said party. The Company has made upfront payment in terms of the said settlement agreement but has defaulted in payment of the dues payable on or before 31<sup>st</sup> March 2022. Further, the Company is in the process of reconciling the amount payable under the settlement agreement. Pending reconciliation of amounts payable and compliance with payment requirements under the settlement agreement, no effect has been given to the settlement



agreement in the accounts of the said subsidiary Company for the year ended 31<sup>st</sup> March 2022.

- i. In case of the Holding Company and a subsidiary, borrowings from various lenders are subject to confirmation / reconciliation.

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 and jointly controlled entity 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 and jointly controlled entity 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 jointly controlled entity 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 and jointly controlled entity are responsible for assessing the ability of the Group and its associate and jointly controlled entity 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 and jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entity.



## 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 and jointly controlled entity 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 and jointly controlled entity 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 and jointly controlled entity 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 net assets of Rs. (946.91) crore as at March 31, 2022, total revenues of Rs. 17.48 crore, and total comprehensive income/(loss) (comprising of net loss after tax and other comprehensive income) of Rs. (62.77) crore for the year ended on March 31, 2022, which has 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 management certified Financial Results of
  - i. One Step down subsidiary which reflect net assets of Rs. (12.49) Crore as at 31<sup>st</sup>



Financial Results of

- i. One Step down subsidiary which reflect net assets of Rs. (12.49) Crore as at 31<sup>st</sup> March, 2022, total revenue of Rs.0.33 Crore, and total Comprehensive Income/(loss) (comprising of net loss after tax and other comprehensive income) of Rs. (0.20) Crore for the year ended on 31<sup>st</sup> March 2022,
- ii. One jointly controlled entity which reflect share of profit / (loss) of Rs. 0.06 Crore and Rs. 0.12 Crore for the quarter and year ended 31<sup>st</sup> March 2022 respectively.
- iii. One associate, which reflect share of profit / (loss) of Rs. (6.18) Crore and Rs. 2.88 Crore for the quarter and year ended 31<sup>st</sup> March 2022 respectively.

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 the said subsidiary, associate and jointly controlled entity is based solely on such unaudited management certified Financial Statements and other unaudited Financial information. In our opinion and according to the information and explanation given to us by the Board of Directors, these Unaudited Financial Statements and the other unaudited financial information are not material to the group.

- c. One Subsidiary and two associate companies have been liquidated and not forming part of Consolidated Financial Statements.

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.

- d. The Consolidated Financial Results includes the results for the quarter ended March 31, 2022 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: 22037391AJVRMS1265

Mumbai

Date: 30<sup>th</sup> May, 2022



## **Annexure to the Auditor's 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 II Limited
4. Essar Shipping DMCC
5. Essar Oilfields Middle East DMCC (Liquidated on 28<sup>th</sup> September, 2020)(Not consolidated)
6. Starbit Oilfields Services India Limited

### **List of Associates**

1. Varada Drilling One Pte Limited (Liquidated on 11<sup>th</sup> December, 2020) (Not consolidated)
2. Varada Drilling Two Pte Limited (Liquidated on 11<sup>th</sup> December, 2020) (Not consolidated)
3. Arkay Logistics Limited

### **List of Jointly Controlled Entity**

1. OGD-EHES JV Private Limited (w.e.f. 6<sup>th</sup> November, 2020)



## Statement of Consolidated Assets and Liabilities as at 31 March, 2022

(' in crore)

Particulars	As at 31 March, 2022 (Audited)	As at 31 March, 2021 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	111.91	883.66
(b) Capital work-in-progress	0.00	16.41
(c) Investments	38.77	0.00
(d) Financial assets		
- Other financial assets	-	0.50
(e) Other non-current assets	1.84	9.07
<b>Total non-current assets</b>	<b>152.52</b>	<b>909.64</b>
<b>Current assets</b>		
(b) Inventories	9.02	20.38
(c) Financial assets		
i. Investments in Mutual Fund	1.61	6.23
ii. Trade and other receivables	24.56	30.32
iii. Cash and cash equivalents	29.56	27.58
iv. Loans	455.94	466.66
v. Other financial assets	395.75	511.06
(d) Other current assets	67.47	112.17
(e) Asset classified as held for sale	33.50	-
<b>Total current assets</b>	<b>1,017.41</b>	<b>1,174.40</b>
<b>TOTAL ASSETS</b>	<b>1,169.93</b>	<b>2,084.04</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	206.98	206.98
<b>Other Equity</b>		
Reserves and surplus	(5,120.77)	(5,020.12)
Non-controlling Interests	267.88	263.96
<b>Total equity</b>	<b>(4,645.91)</b>	<b>(4,549.18)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1,678.07	1,743.21
<b>Total non-current liabilities</b>	<b>1,678.07</b>	<b>1,743.21</b>
<b>Current liabilities</b>		
(a) <b>Financial liabilities</b>		
i. Borrowings	2,234.30	2,855.71
ii. Trade payables	94.20	262.17
iii. Other financial liabilities	1,767.41	1,720.10
(b) Employee benefit obligations	3.03	2.70
(c) Current tax liabilities	30.23	28.56
(d) Other current liabilities	8.61	20.77
<b>Total current liabilities</b>	<b>4,137.77</b>	<b>4,890.01</b>
<b>Total liabilities</b>	<b>5,815.84</b>	<b>6,633.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,169.93</b>	<b>2,084.04</b>



Rajesh D. Desai



**ESSAR SHIPPING LIMITED**

Regd. Office: EBTSL Premises, ER-2 Building (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

**Statement of Audited Consolidated Financial Results for the quarter & year ended 31 March, 2022**

		(₹ in crore)				
Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.2022 (Refer note 10)	31.12.2021 (Unaudited)	31.03.2021 (Refer note 10)	31.03.2022 (Audited)	31.03.2021 (Audited)
I	a) Income from operations					
	Fleet operating and chartering	(0.60)	22.45	80.08	300.54	365.94
	Rig operating and chartering	15.20	1.16	7.68	24.91	92.94
	Other operating income	0.16	(1.88)	3.24	2.89	13.12
	b) Other income					
	Profit on sale of ships and other assets (net)	8.41	60.99	1.03	99.35	1.03
	Other Income	99.74	11.00	30.35	125.49	35.13
	<b>Total income from operations</b>	<b>122.91</b>	<b>93.72</b>	<b>122.38</b>	<b>553.18</b>	<b>508.16</b>
II	<b>Expenses</b>					
	a) Operating expenses	6.71	14.56	81.11	204.47	345.06
	b) Employee benefits expenses	3.89	7.52	13.59	39.97	72.86
	c) Finance costs	71.15	73.99	135.33	356.47	488.69
	d) Depreciation	14.91	19.30	44.46	105.92	173.76
	e) Other expenses	8.99	4.13	9.64	20.93	24.32
	<b>Total expenses</b>	<b>105.65</b>	<b>119.50</b>	<b>284.13</b>	<b>727.76</b>	<b>1,104.69</b>
III	<b>Profit / (Loss) for the period / year before exceptional items, tax and share of profit of associate</b>	<b>17.26</b>	<b>(25.78)</b>	<b>(161.75)</b>	<b>(174.58)</b>	<b>(596.53)</b>
IV	<b>Exceptional items (refer note 3)</b>					
	Income	210.57	29.35	-	387.23	-
	Expense	4.16	2.02	(14.81)	(293.42)	(23.41)
V	<b>Profit / (Loss) for the period / year after exceptional items and before tax</b>	<b>231.99</b>	<b>5.59</b>	<b>(176.56)</b>	<b>(80.77)</b>	<b>(619.94)</b>
VI	Tax expenses	-	-	(0.16)	(0.26)	(0.62)
VII	<b>Profit / (Loss) for the period / year after tax before share of profit of associate</b>	<b>231.99</b>	<b>5.59</b>	<b>(176.72)</b>	<b>(81.03)</b>	<b>(620.56)</b>
VIII	Share of profit / (loss) of associate	(6.12)	(13.44)	-	3.00	-
IX	<b>Profit / (Loss) for the period / year after share of profit / (loss) of associate</b>	<b>225.87</b>	<b>(7.85)</b>	<b>(176.72)</b>	<b>(78.03)</b>	<b>(620.56)</b>
	Attributable to:					
	-Shareholders of the Parent	225.41	(7.84)	(179.11)	(78.49)	(620.41)
	-Non-controlling interests	0.46	(0.01)	2.39	0.46	(0.15)
X	Other comprehensive income net of tax	0.49	(0.08)	0.19	0.23	(0.10)
XI	<b>Total comprehensive profit / (loss) net of tax</b>	<b>226.36</b>	<b>(7.93)</b>	<b>(176.53)</b>	<b>(77.80)</b>	<b>(620.66)</b>
	Attributable to:					
	-Shareholders of the Parent	225.90	(7.92)	(178.92)	(78.26)	(620.51)
	-Non-controlling interests	0.46	(0.01)	2.39	0.46	(0.15)
XII	<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>
XIII	Total Reserves				(5,120.77)	(5,020.12)
XIV	<b>Earnings per share before exceptional items (EPS)</b>					
	(a) Basic (in ₹)	0.54	*(1.89)	*(7.82)	(8.3)	(28.85)
	(b) Diluted (in ₹)	0.54	*(1.89)	*(7.82)	(8.3)	(28.85)
XV	<b>Earnings per share after exceptional items (EPS)</b>					
	(a) Basic (in ₹)	10.91	*(0.38)	*(8.54)	(3.77)	(29.98)
	(b) Diluted (in ₹)	10.91	*(0.38)	*(8.54)	(3.77)	(29.98)
	* Not annualised					



*Rajesh. D. Gogoi*



The above Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 30 May, 2022.

The Consolidated Financial Results include results of the Holding Company, three overseas subsidiaries and two stepdown subsidiaries. The Statement also includes unaudited figures in respect of one associate company and one Joint venture company which are as certified by their management.

**Exceptional items comprise of the following:**

Particulars	Quarter ended			Year ended	
	31.03.2022 (Refer note 10)	31.12.2021 (Unaudited)	31.03.2021 (Refer note 10)	31.03.2022 (Audited)	31.03.2021 (Audited)
<b>Income</b>					
Gain on One Time Settlement with bank	210.56	29.35	-	351.45	-
Reversal of Provision / Impairment for doubtful receivables / advances	-	-	-	-	-
Reversal of Provision for impairment as per Ind AS 36 in the fair value of the associate based on management assessment & valuation report.	-	-	-	35.77	-
<b>Expense</b>					
Provision / Impairment for doubtful receivables / advances	30.40	(6.93)	14.81	30.76	23.41
Impairment of fixed assets / capital work-in-progress	(34.57)	4.91	-	262.65	-

The Results for the quarter ended 31 March, 2022 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).

a) Pursuant to approval taken from Shareholders in the meeting held on 30 September, 2020, The Holding Company has monetised the assets and proceeds from the same has been paid to lenders, which has reduced the current liabilities of the Company. The Group re-paid term loans aggregating to Rs. 565 crore approx by monetising its assets and recognised Rs. 351.45 crore (Rs. 210.56 during the quarter) as Gain from One Time Settlement of Loans as exceptional income. No due certificates received from the respective lenders.

b) Such monetisation by the Holding Company included sale of one Tanker vessel & three Bulker vessels (two bulker vessels during the quarter) and the Company has recognised profit on sale of vessel of Rs. 99.35 crore (Rs. 8.41 crores during the quarter) in the Statement of Profit & Loss account. The Holding Company has disposed off most of its assets with prior approval of the lenders to pay off its outstanding dues to lenders / vendors and has no revenue generating assets as at the year-end.

c) The Group has availed loans from banks and financial institutions which are secured by charge over various movable and immovable assets of the Company as well as subsidiary/ associate/ group companies and corporate guarantee of the ultimate Parent Company. The value of the security as at 31st March 2022 is lower than the amount outstanding as at that date due to downturn in shipping and oilfield markets from last several years.

d) As on 31 March, 2022, the Group's net worth is negative and 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 certain assets and during the year the Group has settled the loan with lenders by monetizing assets. The Management is hopeful for arriving at a mutually agreed settlement with balance lenders also. The Holding Company is exploring business opportunity of In-chartering in the Shipping sector and based on the business prospects in oilfield business, the Financials have been prepared on a Going Concern basis.

Some of the Lenders and Public Financial Institution have filed suit against the Group before the Bombay High Court / NCLT / DRT for recovery of loans. The Group is defending all such proceedings.

The Holding Company has issued Standby Letter of Credit (SBLC) to three banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked in an earlier year. The Holding Company has taken up matter with respective banks to settle the loans through monetization of assets. The Holding Company has paid due to three banks. Of the three banks, two banks have issued No due certificate for the same. Balance one bank will provide no due certificate on the basis of agreed milestone as mentioned in One Time Settlement (OTS) plan.

The Holding Company has issued Non Convertible Debentures which are inter alia secured by a charge over six rigs owned by one of its subsidiary companies. Out of the six rigs, three rigs owned by the said subsidiary have been taken possession and disposed off / sold by the said vendor with a view to recover the dues from the said subsidiary Company. The transaction has been intimated by the said subsidiary to the debenture holder.

During the year 2017-18, the Holding Company had recognized income from an Arbitration Award along with interest accrued thereon amounting to Rs. 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 figures for the quarter ended 31 March, 2021 and quarter ended 31 March, 2022 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.

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



For and on behalf of the Board

*Rajesh D. Desai*

Rajesh Desai  
Director



Place: Mumbai  
Date: 30 May, 2022

**ESSAR SHIPPING LIMITED**
**Consolidated Statement of Cash Flows for the year ended 31 March, 2022**

(₹ in crore)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
	Audited	Audited
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(80.76)	(619.94)
Adjustments for :		
Exceptional Items		
- Provision / Impairment for doubtful receivables / advances	30.76	23.41
- Impairment of fixed assets / capital work-in-progress	262.65	-
- Gain on One Time Settlement with bank	(351.45)	-
- Reversal of Provision for impairment as per Ind AS 36 in the fair value of the associate based on management assessment & valuation report.	(35.77)	-
Gain on sale/Fair Vale of current investment measured at FVTPL	(0.33)	(0.28)
Depreciation	105.92	173.76
Finance costs	356.47	488.69
Interest income	(39.61)	(26.95)
Unrealised foreign exchange gain	(0.83)	(0.06)
<b>Operating profit before working capital changes</b>	<b>247.05</b>	<b>38.63</b>
Changes in working capital:		
(Increase) / Decrease in inventories	11.36	1.27
(Increase) / Decrease in trade receivables, loans and advances and other assets	71.12	73.69
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(203.37)	(75.18)
<b>Cash generated from operations</b>	<b>126.16</b>	<b>38.41</b>
Income taxes refunded / (paid), net	14.14	58.15
<b>Net cash generated from operating activities</b>	<b>140.30</b>	<b>96.56</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment of capital expenditure on Property, Plant and Equipment including capital advances and Capital	-	(55.27)
Proceeds from sale of property, plant and equipment	411.07	-
(Purchase) / Sale of Current Investments (Net)	4.95	(5.95)
Loans given	-	(1.89)
Security deposit received/(refunded)	-	0.60
Proceeds/(Investment) in Bank deposits	57.80	4.67
Interest received	19.13	4.18
<b>Net cash (used in) / generated from investing activities</b>	<b>492.94</b>	<b>(53.66)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from intercorporate deposits	129.66	15.11
Repayment of intercorporate deposits	(70.25)	(14.10)
Repayment of long-term loans	(683.18)	(56.59)
Finance costs paid	(2.97)	(30.64)
<b>Net cash used in financing activities</b>	<b>(626.74)</b>	<b>(86.23)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6.51</b>	<b>(43.32)</b>
Foreign currency translation reserve	(15.46)	31.28
Cash and cash equivalents at the beginning of the year	27.08	39.12
<b>Cash and cash equivalents at the end of the year</b>	<b>18.13</b>	<b>27.08</b>
<b>Note:</b>		
<b>Reconciliation between cash and cash equivalents and cash and bank balances.</b>		
Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents as per cash flow statement	18.13	27.08
Add: margin money deposits not considered as cash and cash equivalents as per Ind AS-7	4.00	0.50
<b>Cash and bank balances (Restricted and Unrestricted)</b>	<b>22.13</b>	<b>27.58</b>



Rakesh S. Desai



**ESSAR SHIPPING LIMITED**

Regd. Office: EBTSL Premises, ER-2 Building (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, 2022**

Particulars	(₹ in crore)				
	Quarter ended			Year ended	
	31.03.2022 (Refer note 10)	31.12.2021 (Unaudited)	31.03.2021 (Refer note 10)	31.03.2022 (Audited)	31.03.2021 (Audited)
<b>Segment Revenue</b>					
<b>Operating Income</b>					
Fleet operating and chartering	(0.36)	19.70	83.26	302.70	380.73
Rig operating and chartering	15.88	2.03	7.70	27.81	121.90
<b>Total</b>	<b>15.52</b>	<b>21.73</b>	<b>90.96</b>	<b>330.51</b>	<b>502.63</b>
Less: Inter segment revenue	(0.75)	-	0.04	(2.16)	(29.60)
<b>Total Income from operations</b>	<b>14.77</b>	<b>21.73</b>	<b>91.00</b>	<b>328.35</b>	<b>473.03</b>
Other income unallocated	108.15	71.99	31.38	224.84	35.13
<b>Total Income</b>	<b>122.91</b>	<b>93.72</b>	<b>122.38</b>	<b>553.18</b>	<b>508.16</b>
<b>Segment Results</b>					
Fleet operating and chartering	95.25	65.61	(1.04)	241.66	(39.70)
Rig operating and chartering	(6.88)	(17.42)	(25.38)	(59.84)	(68.15)
<b>Total</b>	<b>88.37</b>	<b>48.19</b>	<b>(26.42)</b>	<b>181.82</b>	<b>(107.85)</b>
Less: Unallocated interest and finance costs	(71.18)	(73.97)	(135.33)	(356.47)	(488.69)
<b>Profit / (Loss) before tax</b>	<b>17.19</b>	<b>(25.78)</b>	<b>(161.75)</b>	<b>(174.65)</b>	<b>(596.54)</b>
Exceptional items	214.73	31.37	(14.81)	93.81	(23.42)
<b>Profit / (Loss) for the period / year after exceptional items</b>	<b>231.92</b>	<b>5.59</b>	<b>(176.56)</b>	<b>(80.84)</b>	<b>(619.96)</b>
Less: Tax expense	-	-	(0.16)	(0.26)	(0.62)
<b>Profit / (Loss) for the period / year before share of profit of associate</b>	<b>231.92</b>	<b>5.59</b>	<b>(176.72)</b>	<b>(81.10)</b>	<b>(620.58)</b>
Share of profit / (loss) of associate	(6.12)	(13.44)	-	3.00	-
<b>Profit / (Loss) for the period / year after share of profit / (loss) of associate</b>	<b>225.80</b>	<b>(7.85)</b>	<b>(176.72)</b>	<b>(78.10)</b>	<b>(620.58)</b>
<b>Capital employed (segment assets-segment liabilities)</b>					
Fleet operating and chartering	(765.20)	(1,003.26)	(905.57)	(765.20)	(905.57)
- Assets	81.63	162.43	781.79	81.63	781.79
- Liabilities	(846.83)	(1,165.69)	(1,687.36)	(846.83)	(1,687.36)
<b>Oilfields services</b>	<b>(1,922.43)</b>	<b>(1,871.50)</b>	<b>(1,548.15)</b>	<b>(1,922.43)</b>	<b>(1,548.15)</b>
- Assets	236.61	259.91	324.53	236.61	324.53
- Liabilities	(2,159.04)	(2,131.41)	(1,872.68)	(2,159.04)	(1,872.68)
<b>Unallocated</b>	<b>(280.21)</b>	<b>(316.93)</b>	<b>(352.26)</b>	<b>(280.21)</b>	<b>(352.26)</b>
- Assets	851.69	902.71	977.71	851.69	977.71
- Liabilities	(1,131.90)	(1,219.64)	(1,329.97)	(1,131.90)	(1,329.97)
<b>Total</b>	<b>(2,967.84)</b>	<b>(3,191.69)</b>	<b>(2,805.98)</b>	<b>(2,967.84)</b>	<b>(2,805.98)</b>

For and on behalf of the Board

*Rajesh D. Desai*

Rajesh Desai  
Director



Place: Mumbai  
Date: 30 May, 2022