

Date: 12<sup>th</sup> November, 2021

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

Corporate Identification Number  
L61200GJ2010PLC060285  
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[www.essar.com](http://www.essar.com)

The Manager  
Bandra Kurla Complex  
"Exchange Plaza"  
**National Stock Exchange of India Limited**  
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NSE Code: ESSARSHPNG

The Manager  
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**National Stock Exchange of India Limited**  
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Fax: +91 22 2659 8237/38  
Mumbai - 400 051  
NSE Code: ESSARSHPNG

Dear Sir/Madam,

**Sub: Outcome of Board Meeting**

This is to inform you that the Board of Directors of the Company at its meeting held on Friday, 12<sup>th</sup> November, 2021 have inter-alia: Considered and approved the Un-Audited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2021. Accordingly, copy of Un-Audited Financial Results (Standalone and Consolidated) along with Limited Review Report is enclosed herewith;

The meeting of Board of Directors of the Company commenced at 1:30 PM and concluded at 05:45 PM

Request you to kindly take the same on your records

Yours Faithfully,

**For Essar Shipping Limited**

**Nisha Barnwal**  
**Company Secretary and Compliance Officer**  
**Membership No A66804**  
Encl-As above

# CNK

## & ASSOCIATES LLP

### CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Unaudited Standalone Financial Results of the Company 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

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Essar Shipping Limited ("the Company") for the quarter and half year ended 30<sup>th</sup> September 2021, ("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 Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors at its meeting held on 12<sup>th</sup> November 2021, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which, it is to be disclosed, or that it contains any material misstatement.



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MUMBAI | BENGALURU | CHENNAI | VADODARA | AHMEDABAD | GANDHINAGAR | DELHI | DUBAI | SHARJAH

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

We draw attention to Note No. 5 of the Unaudited Standalone Financial Results regarding material uncertainty related to going concern. As stated therein, the Company's current liabilities exceeds its current assets as on 30<sup>th</sup> September 2021. Further, Note No. 8 of the Unaudited Standalone Financial Results mentions that some of the lenders of the Company have filed applications before the High Court / National Company Law Tribunals / Debt Recovery Tribunals for recovery of overdue amounts and / or enforcement of guarantees. Also, the net worth of the Company is negative. These factors give rise to a material uncertainty related to the ability of the Company to continue as a going concern.

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 Unaudited Standalone Financial Results), based on the future business prospects which they have evaluated and the expected relief from lenders, 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.

6. **Emphasis of Matter**

We draw attention to Note No. 9 of the Unaudited Standalone Financial Results relating to recognition of revenue amounting to Rs. 369.81 crore (including accrued interest up to 31 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 and Rs. 305.81 crore remaining outstanding as on 30<sup>th</sup> September 2021. The Company is confident of full recovery of the said dues. However, pending conclusion of the same, no further interest is accrued on the income recognised.

Our conclusion on the Unaudited Standalone Financial Results is not modified for the above matter.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/W - 100036



Diwakar Sapre

Partner

Membership No. 40740

UDIN: 21040740AAAADW5202

Place: Mumbai

Date: 12<sup>th</sup> November 2021



**ESSAR SHIPPING LIMITED**

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 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 Unaudited Standalone Financial Results for the quarter and half year ended 30 September, 2021**

Sl.No	Particulars	Quarter ended						Year ended
		30.09.2021			30.09.2020			
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
		(₹ in crore)						
I	Income from operations	41.33	72.26	63.90	113.59	109.68	165.92	
II	Other income							
a)	Profit on sale of ships and other assets (net)	24.56	5.39	(0.08)	29.95	0.18	1.02	
b)	Other Income	(1.41)	2.73	0.39	1.32	0.51	8.95	
III	<b>Total income from operations (I+II)</b>	<b>64.48</b>	<b>80.38</b>	<b>64.21</b>	<b>144.86</b>	<b>110.37</b>	<b>175.89</b>	
IV	<b>Expenses</b>							
a)	Operating expenses	24.01	29.00	24.90	53.01	46.86	84.35	
b)	Employee benefit expenses	11.31	12.97	13.49	24.28	26.54	52.62	
c)	Finance costs	44.99	49.46	72.43	94.45	118.38	212.16	
d)	Depreciation and amortisation expenses	9.19	32.39	27.70	41.58	55.53	112.53	
e)	Other expenses	1.66	1.96	1.63	3.62	2.52	12.29	
	<b>Total expenses</b>	<b>91.16</b>	<b>125.78</b>	<b>140.15</b>	<b>216.94</b>	<b>249.83</b>	<b>473.95</b>	
V	<b>Loss for the period / year before exceptional items and tax (III-IV)</b>	<b>(26.68)</b>	<b>(45.40)</b>	<b>(75.94)</b>	<b>(72.08)</b>	<b>(139.46)</b>	<b>(298.06)</b>	
VI	<b>Exceptional items (refer Note no.4)</b>							
	Income	35.70	294.95	0.79	330.65	0.79	0.79	
	Expense	(26.73)	(761.93)	-	(788.66)	-	-	
VII	<b>Loss for the period / year before tax and after exceptional items (V+VI)</b>	<b>(17.71)</b>	<b>(512.38)</b>	<b>(75.15)</b>	<b>(530.09)</b>	<b>(138.67)</b>	<b>(297.27)</b>	
VIII	Tax expenses	(0.10)	(0.16)	(0.20)	(0.26)	(0.41)	(0.62)	
IX	<b>Loss after tax (VII+VIII)</b>	<b>(17.81)</b>	<b>(512.54)</b>	<b>(75.35)</b>	<b>(530.35)</b>	<b>(139.08)</b>	<b>(297.89)</b>	
X	Other comprehensive income net of tax	(0.20)	-	0.09	(0.20)	0.00	0.20	
XI	<b>Total comprehensive loss net of tax (IX+X)</b>	<b>(18.01)</b>	<b>(512.54)</b>	<b>(75.26)</b>	<b>(530.55)</b>	<b>(139.08)</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	206.98	
XIII	Reserves excluding revaluation reserves	-	-	-	-	-	(3,253.58)	
XIV	<b>Earnings per share before exceptional items (EPS)</b>							
	(a) Basic (in ₹)	*(1.29)	*(2.2)	*(3.68)	*(3.49)	*(6.76)	(14.43)	
	(b) Diluted (in ₹)	*(1.29)	*(2.2)	*(3.68)	*(3.49)	*(6.76)	(14.43)	
XV	<b>Earnings per share after exceptional items (EPS)</b>							
	(a) Basic (in ₹)	*(0.86)	*(24.76)	*(3.64)	*(25.62)	*(6.72)	(14.39)	
	(b) Diluted (in ₹)	*(0.86)	*(24.76)	*(3.64)	*(25.62)	*(6.72)	(14.39)	

\*Not annualised



- 1 The above Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 12 November, 2021.
- 2 The Company has only one reportable business segment of Fleet Operating and Chartering.
- 3 The challenges due to COVID-19 got reduced in current quarter but it includes few challenges like travel restrictions on seafarers which has impacted crew changes. The Company evaluated the possible effects from the pandemic on its liquidity position, inventory and receivables and have concluded that no material adjustments are required at this stage in the Standalone Financial Results.

4 Exceptional Items comprise of the following:

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
<b>Income</b>						
Reversal of Provision for impairment of loans & advances receivable from subsidiary	0.03	0.63	0.79	0.66	0.79	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	-	-	35.77	-	-
Gain on foreclosure of Finance Lease	-	294.16	-	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)	-	0.06	-	0.06	-	-
<b>Expense</b>						
Provision for impairment as per Ind AS 36 in the fair value of subsidiaries based on independent valuation report	-	252.66	-	252.66	-	-
Provision for impairment of loans and advances receivable from subsidiary	26.73	509.27	-	536.00	-	-

- 5 As on 30 September 2021, the Company has accumulated losses of Rs. 8,794.89 crore as against share capital and reserves of Rs. 5,217.74 crore and 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 certain assets and during the quarter the Company has settled the loan with a few banks. The management is hopeful for arriving at a mutually agreed settlement with balance lenders also. Based on the business prospects, the company would begin making operational profits in the future. In view of these, the Financials have been prepared on a Going Concern basis.
- 6 During the quarter, the Company re-paid term loans aggregating to Rs. 360 crore approx. by monetising its assets. The No Dues certificate from the respective lenders will be received based on the agreed milestones.
- 7 During the quarter, the Company has sold one Tanker vessel and recognised profit on sale of vessel of Rs. 24.56 crores in Profit & Loss account. Also MOA for one bulker vessel has been signed and hence same has been shown under Asset held for sale.
- 8 Some of the Lenders 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.
- 9 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.
- 10 The figures of the previous period(s) / year have been regrouped / reclassified wherever necessary.

Place : Mumbai  
Date : 12 November, 2021

For and on behalf of the Board

Capt. Subimal Mahato  
Director



## Statement of Standalone Assets and Liabilities as at 30 September, 2021

(₹ in crore)

Particulars	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	36.91	667.58
(b) Investments in subsidiaries and associates	35.77	252.66
(c) Other non-current assets	9.70	9.07
<b>Total non-current assets</b>	<b>82.38</b>	<b>949.31</b>
<b>Current assets</b>		
(a) Inventories	4.15	9.27
(b) Financial assets		
i. Investments	9.57	6.23
ii. Trade and other receivables	8.31	12.77
iii. Cash and cash equivalents	13.69	13.19
iv. Loans	26.86	6.41
v. Other financial assets	376.58	440.22
(c) Other current assets	42.84	39.76
(e) Asset classified as held for sale	21.05	-
<b>Total current assets</b>	<b>503.05</b>	<b>527.85</b>
<b>TOTAL ASSETS</b>	<b>585.43</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	(3,784.13)	(3,253.58)
<b>Total equity</b>	<b>(3,577.15)</b>	<b>(3,046.61)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1,757.54	1,853.58
<b>Total non-current liabilities</b>	<b>1,757.54</b>	<b>1,853.58</b>
<b>Current liabilities</b>		
(a) <b>Financial liabilities</b>		
i. Borrowings	1,087.40	1,449.55
ii. Trade payables		
- Total outstanding dues to micro and small enterprises	0.02	0.27
- Total outstanding dues to creditors other than micro and small enterprises	101.14	146.08
iii. Other financial liabilities	1,211.75	1,062.47
(b) Employee benefit obligations	2.96	2.48
(c) Other current liabilities	1.78	9.33
<b>Total current liabilities</b>	<b>2,405.05</b>	<b>2,670.18</b>
<b>Total liabilities</b>	<b>4,162.59</b>	<b>4,523.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>585.43</b>	<b>1,477.16</b>



**ESSAR SHIPPING LIMITED**
**Standalone Statement of Cash Flows for the year ended 30 September, 2021**

(₹ in crore)

Particulars	Period ended 30 September, 2021	Year ended 31 March, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(530.08)	(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	536.00	-
- 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)
Depreciation	41.58	112.53
Finance costs	94.45	212.16
Profit on sale of fleet	(29.95)	-
Interest income	(0.00)	(1.27)
Unrealised foreign exchange gains	(1.20)	4.47
<b>Operating profit before working capital changes</b>	<b>32.48</b>	<b>29.55</b>
Changes in working capital:		
(Increase) / Decrease in inventories	5.12	0.73
(Increase) / Decrease in trade receivables, loans and advances and other assets	65.98	26.61
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(47.06)	5.56
<b>Cash generated from operations</b>	<b>56.52</b>	<b>62.45</b>
Income taxes refunded / (paid), net	(0.89)	41.78
<b>Net cash generated from operating activities</b>	<b>55.63</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	(1.73)	(52.89)
Proceeds from sale of vessel	230.33	-
(Purchase) / Sale of Current Investments (Net)	(3.01)	(5.95)
Proceeds/(Investment) in Bank deposits	(4.00)	0.02
Proceeds from sale of investments	0.06	-
Intercompany deposits given to Subsidiary	(5.45)	(6.00)
Intercompany deposits repaid back by Subsidiary	76.29	0.79
Interest received	0.00	1.27
<b>Net cash (used in) / generated from investing activities</b>	<b>292.49</b>	<b>(62.76)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term loans	-	-
Proceeds from intercompany deposits	17.13	10.30
Repayment of intercompany deposits	-	(11.69)
Repayment of long-term loans	(365.53)	(18.16)
Repayment of short-term loans	-	-
Finance costs paid	(3.22)	(15.09)
<b>Net cash used in financing activities</b>	<b>(351.62)</b>	<b>(34.64)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3.50)</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>9.69</b>	<b>13.19</b>



Independent Auditor's Review Report on Unaudited 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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Essar Shipping Limited** (hereinafter referred to as the "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entity for quarter and half year ended 30 September, 2021, ("The Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). This Statement includes the results of the subsidiaries, associate and jointly controlled entity as given in the Annexure to this report.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors at its meeting held on 12<sup>th</sup> November 2021, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. Based on our review conducted and procedures performed stated in paragraph 3 above and based on the consideration of review reports of Subsidiaries' auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

We draw attention to Note No. 6 of the Unaudited Consolidated Financial Results that the Group's current liabilities exceed its current assets as on 30 September 2021. Further, Note No. 9 of the Unaudited Consolidated Financial Results mentions that some of the lenders of the Group have filed applications before the High Court / National Company Law Tribunals / Debt Recovery Tribunals for recovery of overdue amounts and/or enforcement of guarantees. Also, the net worth of the Group is negative, and the Group has been incurring continuous losses. These factors give rise to material uncertainty related to the ability of the Group to continue as a going concern.

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 Unaudited Consolidated Financial Results), based on the future business prospects which they have evaluated and the expected relief from lenders, the Group expects to start making operational profits in the near future. Further, the auditors of some of the subsidiaries have also commented on the material uncertainty of these subsidiary companies to continue as a going concern.

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.



6. **Emphasis of Matter**

- a. We draw attention to Note No. 10 of the Unaudited Consolidated Financial Results relating to recognition by the Holding Company in the financial year 2017-18 revenue amounting to Rs.369.81 crore (including accrued interest up to 31<sup>st</sup> March 2018) based on compensation granted to the Holding Company in arbitration proceedings for breach of contract terms by a charterer and Rs. 305.81 crores out of the same remains outstanding as on 30<sup>th</sup> September 2021. The Holding Company is confident of full recovery of its dues. However pending conclusion of the same, no further interest is accrued for the same.
- b. In case of a subsidiary, during the quarter ended 30<sup>th</sup> September 2021, the said subsidiary Company has entered into a settlement agreement with one of the lenders to settle the outstanding dues to the said party. The said subsidiary 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 in the accounts for the quarter and half year ended 30<sup>th</sup> September 2021.
- c. In case of a subsidiary, the respective auditors have drawn attention to the non-receipt of a bank balance confirmation for USD 92.83 million.
- d. In case of a subsidiary, the respective auditors have drawn attention to the recognition of fair valuation loss on vessels of USD 39.02 million as per the value agreed under a Deed of Novation.

Our conclusion on the Unaudited Consolidated Financial Results is not modified for the above matters.

7. **Other Matters**

- a. We did not review the financial results of one subsidiary, whose financial results reflect net assets of Rs. (904.43) crore as at 30<sup>th</sup> September 2021, total revenue of Rs. 2.18 crore and Rs. 2.46 crore and total comprehensive loss (comprising of net loss after tax and other comprehensive income) of Rs. 17.84 crore and Rs. 39.27 crore for the quarter and half year ended on 30<sup>th</sup> September 2021, as considered in the Unaudited Consolidated Financial Results. These financial results and other financial information have been reviewed by other auditor whose report is furnished to us by the Board of Directors. Our conclusion on the Unaudited Consolidated Financial Results, 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 as stated in paragraph 3

above.



- b. The Statement also includes the unaudited interim financial results of one step-down subsidiary, and one jointly controlled entity whose interim financial information reflect Group's share of total net assets of Rs. (12.37) crore as at 30<sup>th</sup> September 2021, revenue of Rs.0.03 and Rs. 0.05 crore and Group's share of total comprehensive loss after tax of Rs. 0.05 crore and Rs. 0.08 crore for the quarter and half year ended on 30<sup>th</sup> September 2021. These unaudited interim financial results 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 interim financial results 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 interim financial results and other unaudited financial information are not material to the Group.
- c. In case of one associate, share of profit / (loss) is considered only till 31<sup>st</sup> March 2021 based on the unaudited financial statements, further in the absence of reviewed / management certified financial results, no effect is given for the quarter and half year ended 30<sup>th</sup> September 2021.

Our conclusion on the Consolidated Financial Results is not modified for 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.

For C N K & Associates LLP

Chartered Accountants

Firm Registration Number: 101961W / W-100036



Diwakar Sapre

Partner

Membership No. 040740

UDIN: 21040740AAAADX1747

Mumbai

Date: 12<sup>th</sup> November 2021



## 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 II Limited
4. Essar Shipping DMCC
5. Starbit Oilfields Services India Limited.

### List of Associate

1. Arkay Logistics Limited

### List of Jointly Controlled Entity

1. OGD-EHES JV Private Limited (w.e.f. 6 November, 2020)



**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, Keshavnagar Khadye Marg, Mahalaxmi, Mumbai 400 034

**Statement of Unaudited Consolidated Financial Results for the quarter & half year ended 30 September, 2021**

St.No.	Particulars	₹ in crore					
		Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
I	a) Income from operations						
	Fleet operating and chartering	147.29	131.40	120.14	278.69	196.50	365.94
	Rig operating and chartering	1.62	6.92	7.95	8.54	76.36	92.94
	Other operating income	(3.82)	8.43	3.99	4.61	7.42	13.12
	b) Other income						
	Profit on sale of ships and other assets (net)	24.56	5.39	0.26	29.95	0.51	1.03
	Other Income	12.09	2.65	1.02	14.74	1.97	35.13
	<b>Total income from operations</b>	<b>181.74</b>	<b>154.79</b>	<b>133.36</b>	<b>336.53</b>	<b>282.76</b>	<b>508.16</b>
II	Expenses						
	a) Operating expenses	76.06	107.14	94.56	183.20	159.19	345.06
	b) Employee benefits expenses	12.74	15.82	17.92	28.56	41.16	72.86
	c) Finance costs	100.89	110.44	136.53	211.33	242.11	488.69
	d) Depreciation	24.37	47.34	43.15	71.71	86.79	173.76
	e) Other expenses	4.42	3.39	0.75	7.81	6.46	24.32
	<b>Total expenses</b>	<b>218.48</b>	<b>284.13</b>	<b>292.91</b>	<b>502.61</b>	<b>535.71</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>(36.74)</b>	<b>(129.34)</b>	<b>(159.55)</b>	<b>(166.08)</b>	<b>(252.95)</b>	<b>(596.53)</b>
IV	Exceptional items (refer note 4)						
	Income	35.77	111.54	1.01	147.31	-	-
	Expense	(6.13)	(293.47)	-	(299.60)	(8.60)	(23.41)
V	<b>Profit / (Loss) for the period / year after exceptional items and before tax</b>	<b>(7.10)</b>	<b>(311.27)</b>	<b>(158.54)</b>	<b>(318.37)</b>	<b>(261.55)</b>	<b>(619.94)</b>
VI	Tax expenses	(0.10)	(0.16)	(0.20)	(0.26)	(0.41)	(0.62)
VII	<b>Profit / (Loss) for the period / year after tax before share of profit of associate</b>	<b>(7.20)</b>	<b>(311.43)</b>	<b>(158.74)</b>	<b>(318.63)</b>	<b>(261.96)</b>	<b>(620.56)</b>
VIII	Share of profit / (loss) of associate	22.56	-	-	22.56	-	-
IX	<b>Profit / (Loss) for the period / year after share of profit / (loss) of associate</b>	<b>15.36</b>	<b>(311.43)</b>	<b>(158.74)</b>	<b>(296.07)</b>	<b>(261.96)</b>	<b>(620.56)</b>
	Attributable to:						
	-Shareholders of the Parent	15.37	(311.43)	(158.79)	(296.06)	(259.42)	(620.41)
	-Non-controlling interests	(0.01)	-	0.05	(0.01)	(2.54)	(0.15)
X	Other comprehensive income net of tax	(0.18)	-	(0.30)	(0.18)	(0.36)	(0.10)
XI	<b>Total comprehensive profit / (loss) net of tax</b>	<b>15.18</b>	<b>(311.43)</b>	<b>(159.04)</b>	<b>(296.25)</b>	<b>(262.32)</b>	<b>(620.66)</b>
	Attributable to:						
	-Shareholders of the Parent	15.19	(311.43)	(159.09)	(296.24)	(259.78)	(620.51)
	-Non-controlling interests	(0.01)	-	0.05	(0.01)	(2.54)	(0.15)
XII	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98	206.98	206.98	206.98	206.98
XIII	Total Reserves						(5,020.12)
XIV	Earnings per share before exceptional items (EPS)						
	(a) Basic (in ₹)	*(0.69)	*(6.26)	*(7.72)	*(6.95)	*(12.24)	(28.85)
	(b) Diluted (in ₹)	*(0.69)	*(6.26)	*(7.72)	*(6.95)	*(12.24)	(28.85)
XV	Earnings per share after exceptional items (EPS)						
	(a) Basic (in ₹)	*0.74	*(15.05)	*(7.67)	*(14.3)	*(12.66)	(29.98)
	(b) Diluted (in ₹)	*0.74	*(15.05)	*(7.67)	*(14.3)	*(12.66)	(29.98)
	* Not annualised						



- 1 The above Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 12 November 2021
- 2 The Consolidated Financial Results include results of the Holding Company, three overseas subsidiaries, two stepdown subsidiaries and an associate company. The Statement also includes unaudited figures in respect of one associate company which are as certified by their management.
- 3 The challenges due to COVID-19 got reduced in current quarter but it includes few challenges like travel restrictions on seafarers which has impacted crew changes. For Oilfield business, the impact has been significant. Efforts are being taken to mitigate the effect on the Rig Business. The Holding Company evaluated the possible effects from the pandemic on its liquidity position, inventory and receivables and have concluded that no material adjustments required at this stage in the Consolidated Financial Results.

4 Exceptional Items comprise of the following:

Particulars	Quarter ended			Half year ended		
	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
<b>Income</b>						
Gain on One Time Settlement with bank	-	111.54	-	111.54	-	-
Reversal of Provision / Impairment for doubtful receivables / advances	-	-	1.01	-	-	-
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)	-	-	(35.77)	-	-
<b>Expense</b>						
Provision / Impairment for doubtful receivables / advances	6.13	5.79	-	11.92	8.60	23.41
Impairment of fixed assets / capital work-in-progress	-	287.68	-	287.68	-	-

- 5 The Results for the quarter ended 30 September, 2021 are available on the Bombay Stock Exchange website (URL: [www.bseindia.com/corporates](http://www.bseindia.com/corporates)), the National Stock Exchange website (URL: [www.nseindia.com/corporates](http://www.nseindia.com/corporates)) and on the Company's website (URL: [www.essar.com](http://www.essar.com)).
- 6 As on 30 September, 2021, the Group's networth 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 quarter the Group has settled the loan with a few banks by monetizing assets. The management is hopeful for arriving at a mutually agreed settlement with balance lenders also. Based on the business prospects, the Group would begin making operational profits in the future. In view of these, the financials have been prepared on a Going Concern basis.
- 7 During the quarter, the Holding Company re-paid term loans aggregating to Rs. 360 crore approx. by monetising its assets. The No Dues certificate from the respective lenders will be received based on the agreed milestones.
- 8 During the quarter, the Group has sold one tanker & bulker vessel and recognised profit on sale of vessel of Rs. 24.56 crores in Profit & Loss account. Also MOA for two bulker vessel has been signed by the Group and hence same has been shown under Asset held for sale.
- 9 Some of the lenders have filed suit against the Group before the Bombay High Court / NCLT / DRT for recovery of loans. The Group is defending all such proceedings.
- 10 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.
- 11 The figures of the previous period(s) / year have been regrouped / reclassified wherever necessary.

For and on behalf of the Board

Capt. Subhraj Mahato  
Director



Mumbai  
12 November 2021



**ESSAR SHIPPING LIMITED**

Regd. Office: EBTSL Premises, ER-2 Building (Admin Building) Salaya, 44 KM, P.O. Box No.7, Taluka Khambalia, Deybhumi Dwarka, Gujarat - 361305  
 esl.secretarial@essarshipping.co.in, website: www.essar.com, CIN: L61200GJ2010PLC060285

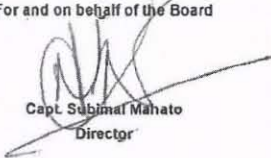
Head Office: Essar House, 11, Keshavnagar Khadye Marg, Mahalaxmi, Mumbai 400 034

Unaudited Consolidated Segment wise Revenue, Results and Capital employed for the quarter and half year ended 30 September, 2021

(₹ in crore)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
<b>Segment Revenue</b>						
<b>Operating Income</b>						
Fleet operating and chartering	143.26	140.11	124.17	283.36	204.56	380.73
Rig operating and chartering	2.97	5.92	18.07	9.90	105.55	121.90
<b>Total</b>	<b>146.23</b>	<b>147.03</b>	<b>142.24</b>	<b>293.26</b>	<b>310.11</b>	<b>502.63</b>
Less: Inter segment revenue	(1.14)	(0.28)	(10.17)	(1.41)	(29.84)	(29.60)
<b>Total income from operations</b>	<b>145.09</b>	<b>146.75</b>	<b>132.08</b>	<b>291.85</b>	<b>280.28</b>	<b>473.03</b>
Other income unallocated	36.65	8.04	1.29	44.69	2.49	35.13
<b>Total Income</b>	<b>181.74</b>	<b>154.79</b>	<b>133.36</b>	<b>336.54</b>	<b>282.76</b>	<b>508.16</b>
<b>Segment Results</b>						
Fleet operating and chartering	80.63	0.17	2.41	80.80	(6.36)	(39.70)
Rig operating and chartering	(16.48)	(19.07)	(25.43)	(35.55)	(4.48)	(68.15)
<b>Total</b>	<b>64.15</b>	<b>(18.90)</b>	<b>(23.03)</b>	<b>45.25</b>	<b>(10.85)</b>	<b>(107.85)</b>
Less: Unallocated interest and finance costs	(100.90)	(110.44)	(136.53)	(211.33)	(242.11)	(488.69)
<b>Profit / (Loss) before tax</b>	<b>(36.74)</b>	<b>(129.34)</b>	<b>(159.56)</b>	<b>(166.08)</b>	<b>(252.96)</b>	<b>(596.54)</b>
Exceptional items	29.64	(181.93)	1.01	(152.29)	(8.59)	(23.42)
<b>Profit / (Loss) for the period / year after exceptional items</b>	<b>(7.10)</b>	<b>(311.27)</b>	<b>(158.54)</b>	<b>(318.37)</b>	<b>(261.55)</b>	<b>(619.96)</b>
Less: Tax expense	(0.10)	(0.16)	(0.20)	(0.26)	(0.41)	(0.62)
<b>Profit / (Loss) for the period / year before share of profit of associate</b>	<b>(7.20)</b>	<b>(311.43)</b>	<b>(158.74)</b>	<b>(318.63)</b>	<b>(261.96)</b>	<b>(620.58)</b>
Share of profit / (loss) of associate	22.56	-	-	22.56	-	-
<b>Profit / (Loss) for the period / year after share of profit / (loss) of associate</b>	<b>15.36</b>	<b>(311.43)</b>	<b>(158.74)</b>	<b>(296.07)</b>	<b>(261.96)</b>	<b>(620.58)</b>
<b>Capital employed (segment assets-segment liabilities)</b>						
<b>Fleet operating and chartering</b>	<b>(1,032.44)</b>	<b>(1,211.10)</b>	<b>(827.50)</b>	<b>(1,032.44)</b>	<b>(827.50)</b>	<b>(905.57)</b>
- Assets	261.62	468.05	831.01	261.62	831.01	781.79
- Liabilities	(1,294.06)	(1,679.15)	(1,658.51)	(1,294.06)	(1,658.51)	(1,687.36)
<b>Oilfields services</b>	<b>(1,822.53)</b>	<b>(1,776.35)</b>	<b>(1,267.67)</b>	<b>(1,822.53)</b>	<b>(1,267.67)</b>	<b>(1,548.15)</b>
- Assets	284.88	308.68	418.18	284.88	418.18	324.53
- Liabilities	(2,107.41)	(2,085.03)	(1,685.85)	(2,107.41)	(1,685.85)	(1,872.68)
<b>Unallocated</b>	<b>(271.93)</b>	<b>(154.68)</b>	<b>(169.54)</b>	<b>(271.93)</b>	<b>(169.53)</b>	<b>(352.26)</b>
- Assets	934.60	982.65	946.06	934.60	946.06	977.71
- Liabilities	(1,206.53)	(1,137.33)	(1,115.60)	(1,206.53)	(1,115.60)	(1,329.97)
<b>Total</b>	<b>(3,126.90)</b>	<b>(3,142.12)</b>	<b>(2,264.71)</b>	<b>(3,126.90)</b>	<b>(2,264.71)</b>	<b>(2,805.98)</b>

For and on behalf of the Board

  
 Capt. Subimal Mahato  
 Director

Mumbai  
12 November 2021



## Statement of Consolidated Assets and Liabilities as at 30 September, 2021

(₹ in crore)

Particulars	As at	As at
	30 September, 2021 (Unaudited)	31 March, 2021 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	205.92	883.66
(b) Capital work-in-progress	19.55	16.41
(c) Investments	35.77	0.00
(d) Financial assets		
- Other financial assets	-	0.50
(e) Other non-current assets	9.70	9.07
<b>Total non-current assets</b>	<b>270.94</b>	<b>909.64</b>
<b>Current assets</b>		
(b) Inventories	13.64	20.38
(c) Financial assets		
i. Investments in Mutual Fund	9.57	6.23
ii. Trade and other receivables	29.21	30.32
iii. Cash and cash equivalents	59.65	27.58
iv. Loans	474.85	466.66
v. Other financial assets	459.75	511.06
(d) Other current assets	91.94	112.17
(e) Asset classified as held for sale	71.55	-
<b>Total current assets</b>	<b>1,210.16</b>	<b>1,174.40</b>
<b>TOTAL ASSETS</b>	<b>1,481.10</b>	<b>2,084.04</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	206.98	208.98
<b>Other Equity</b>		
Reserves and surplus	(5,356.62)	(5,020.12)
Non-controlling Interests	265.21	263.96
<b>Total equity</b>	<b>(4,884.43)</b>	<b>(4,549.18)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1,757.54	1,743.21
<b>Total non-current liabilities</b>	<b>1,757.54</b>	<b>1,743.21</b>
<b>Current liabilities</b>		
(a) <b>Financial liabilities</b>		
i. Borrowings	2,475.21	2,855.71
ii. Trade payables	179.10	262.17
iii. Other financial liabilities	1,910.64	1,720.10
(b) Employee benefit obligations	3.17	2.70
(c) Current tax liabilities	29.70	28.56
(d) Other current liabilities	10.17	20.77
<b>Total current liabilities</b>	<b>4,607.99</b>	<b>4,890.01</b>
<b>Total liabilities</b>	<b>6,365.53</b>	<b>6,633.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,481.10</b>	<b>2,084.04</b>





ESSAR SHIPPING LIMITED

Consolidated Statement of Cash Flows for the year ended 30 September, 2021

(₹ in crore)

Particulars	Year ended 30 September, 2021	Year ended 31 March, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(318.37)	(619.94)
Adjustments for :		
Exceptional Items		
- Provision / Impairment for doubtful receivables / advances	11.92	23.41
- Impairment of fixed assets / capital work-in-progress	287.68	-
- Gain on One Time Settlement with bank	(111.54)	-
- 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	71.71	173.76
Finance costs	211.33	488.69
Interest income	(11.44)	(26.95)
Unrealised foreign exchange gain	(1.25)	(0.06)
<b>Operating profit before working capital changes</b>	<b>103.94</b>	<b>38.63</b>
Changes in working capital:		
(Increase) / Decrease in inventories	6.74	1.27
(Increase) / Decrease in trade receivables, loans and advances and other assets	120.22	73.69
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(83.02)	(75.18)
<b>Cash generated from operations</b>	<b>147.88</b>	<b>38.41</b>
Income taxes refunded / (paid), net	3.32	58.15
<b>Net cash generated from operating activities</b>	<b>151.20</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	(4.87)	(55.27)
Proceeds from sale of vessel	273.18	-
(Purchase) / Sale of Current Investments (Net)	(3.01)	(5.95)
Loans given	-	(1.89)
Security deposit received/(refunded)	-	0.60
Proceeds/(Investment) in Bank deposits	(12.28)	4.67
Interest received	1.27	4.18
<b>Net cash (used in) / generated from investing activities</b>	<b>254.29</b>	<b>(53.66)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from intercorporate deposits	34.13	15.11
Repayment of intercorporate deposits	(3.16)	(14.10)
Repayment of long-term loans	(387.63)	(56.59)
Finance costs paid	(3.46)	(30.64)
<b>Net cash used in financing activities</b>	<b>(360.12)</b>	<b>(86.23)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>45.37</b>	<b>(43.32)</b>
Foreign currency translation reserve	(16.80)	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>55.65</b>	<b>27.08</b>

