ESSAR
SHIPPING

Annual Report 2020-21

Essar Shipping Limited

11TH ANNUAL REPORT FOR THE FINANCIAL YEAR 2020-2021

BOARD OF DIRECTORS

Mr. N. Srinivasan
Independent Director & Chairman
(w.e.f. 08.02.2021)

Captain Bhupinder Singh Kumar
Independent Non- Executive Director

Ms. Sunita Kotian
Non-Executive Director
(w.e.f. 12.02.2020)

Mr. Rajesh Desai
Non-Executive Director
(w.e.f. 30.09.2020)

Mr. R. Suresh
Additional Director
(w.e.f. 31.08.2021)

Mr. R. Jayakumar
Additional Director
(w.e.f. 31.08.2021)

Captain Subimal Mahato
Whole-Time Director

Mr. Ranjit Singh
President and Chief Executive Officer

Mr. Ketan Shah
Chief Financial Officer

Ms. Jyotsna Gupta
Company Secretary
(till 01.08.2021)

AUDITORS

C N K & Associates LLP.
Chartered Accountants
(Firm Registration No. 101961 W/W – 100036)
Add: Mistry Bhavan, 3rd Floor, Dinshaw Vachha Road, Churchgate,
Mumbai- 400 020

SECRETARIAL AUDITOR

MARTINHO FERRAO & ASSOCIATES
Dhun Building, Office # 301, 23/25,
Janmabhoomi Marg, Fort,
Mumbai- 400001
Telephone: 022 2202 4366
Email: mferraocs@yahoo.com

DEBENTURE TRUSTEEE

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17. R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001
Phone: 022 40807000 Fax: 022 66311776
Email: itsl@idbitrustee.com

REGISTRAR & TRANSFER AGENT

Data Software Research Company Private Limited
19, Pycroft Garden Road, Off Haddows Road,
Nungambakkam, Chennai- 600 006
Ph.No.044-28213738 / 28214487
Fax No. 044-28214636
Email: essar.shipping@dsrc-cid.in

REGISTERED OFFICE

EBTSL Premises, ER-2 Building
(Admin Building),
Salaya, 44 KM, P.O. Box No.7,
Taluka Khambhalia,
Devbhumi Dwarka.
Gujarat- 361 305

CORPORATE OFFICE

Essar House
11, K.K. Marg,
Mahalaxmi.
Mumbai- 400 034.
Maharashtra, India.
E-mail: esl.secretarial@essar.co.in

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NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that the **Eleventh** Annual General Meeting (the Meeting) of the Members of Essar Shipping Limited (the Company) will be held on Wednesday, September 29, 2021 at 03:00 PM through video conferencing ("VC")/ Other Audio-Visual Means (OEAVM) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2021 together with the reports of the Board of Directors and Auditors thereon;
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2021 together with the reports of Auditors thereon;
3. To appoint a Director in place of Ms. Sunita Kotian (DIN 08699296), who retires by rotation pursuant to Section 152 of the Companies Act, 2013

   To consider and if thought fit to pass the following resolution as an **Ordinary Resolution** -

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and rules framed thereunder with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) or any other applicable provisions of the Act and regulations made thereunder or any other authority as may be required, Ms. Saraswathy Subramanian be and is hereby appointed as a Non-Executive Director (Women Director) on the Board, liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice of AGM with authority to the Board of Directors to alter, vary and modify the terms of the said appointment as may be agreed between the Board (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) and the Appointee."

   RESOLVED FURTHER THAT the Board of Directors and/ or Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things to give effect to this resolution and execute all such documents, instruments and writings as may be deemed/considered necessary or required and to delegate all or any of its powers herein conferred to any committee of Directors or the Board."

SPECIAL BUSINESS:

4. Appointment of Mr. Jayakumar Rajaram (DIN: 09300654) as an Independent Director of the Company:

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) r enactment thereof for the time being in force), Mr. Jayakumar Rajaram (DIN: 09300654) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective August 31, 2021 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and further approved by the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from August 31, 2021 to August 31, 2026 and the term shall not be subject to retirement by rotation.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company for the time being, be and are hereby severally authorized to do all such acts, deeds, matters and things and take such steps which may be considered necessary, desirable or expedient in this respect."
5. Appointment of Mr. Suresh Ramamirtham (DIN: 09299459) as an Independent Director of the Company:

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) r enactment thereof for the time being in force), Mr. Suresh Ramamirtham (DIN: 09299459) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective August 31, 2021 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and further approved by the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from August 31, 2021 to August 31, 2026 and the term shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company for the time being, be and are hereby severally authorized to do all such acts, deeds, matters and things and take such steps which may be considered necessary, desirable or expedient in this respect."

6. **To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") and Regulation 23 of the LODR regulation 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors to authorize the management of the Company to enter into agreement(s) and/or transaction(s), as may be appropriate, with the following Related Parties as defined under Section 2(76) of the Act and Regulation 23 of LODR Regulation 2015 to sell, purchase, transfer or receipt of products, goods, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and any of the Related Party, for the amount in aggregate not exceeding as mentioned against the name of each of the following Related Party during the period mentioned against the name of each Related Party:

Sr. No.	Name of Related Party	Relationship	Nature of Transaction(s)	Amount (Rs. In crores)		
				2020-2021	From April 01, 2021 till the date of 11th Annual General Meeting September 29, 2021	From September 29, 2021 till the date of 12th Annual General Meeting to be held in calendar year 2022
1	Essar Shipping DMCC	Subsidiary	Supervision & Management Fees	1.43	0.75	0.75
2	Essar Shipping (Cyprus) Limited	Fellow Subsidiary	Supervision & Management Fees	12.14	3.5	1.5
3	Arkay Logistics Limited	Associates	Logistics & Agency Services	0.03	0.10	0.10
4	Essar Bulk Terminal Limited	Fellow Subsidiary	Port Charges & Agency Services	0.78	1.00	1.00
5	Essar Shipping DMCC	Subsidiary	Vessel Hire Charges	4.63	0.00	10.00
6	Essar Shipping DMCC	Subsidiary	Foreclosure of BBCD Agreement (Capital account transaction on account of Finance lease foreclosure of 2 vessels)	0.00	670.00	0.00
7	Essar Shipping DMCC	Subsidiary	Interest on Finance Lease	20.09	7.00	0.00

"**RESOLVED FURTHER THAT** consent of the Members of the Company be and is hereby accorded for ratification of the aforesaid related party transactions already entered into by Company exceeding the threshold limits as specified in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and which are material in nature in terms of Regulation 23 (1) of LODR Regulation 2015.

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board
Sd/-
Jyotsna Gupta
Company Secretary

Mumbai, August 31, 2021

Registered Office:
Essar Shipping Limited
EBTSL Premises, ER-2 Building (Admin. Building),
Salaya, 44 KM, P.O. Box No. 7, Taluka Khambhalia,
Devbhumi Dwarka, Gujarat - 361 305
CIN: L61200GJ2010PLC060285

Notes:

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure - A to this Notice.
2. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2021 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith(Collectively referred to as Notice) is being sent only to those members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company www.essar.com.
3. In compliance with the said Circulars, the Company has also published a public notice by way of an advertisement made dated 4th September, 2021 in Jai Hind and Financial Express, both having a wide circulation in the State of Gujarat along with their electronic editions, inter alia, advising the members whose e-mail ids are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.
4. The members who have not yet registered their e- mail ids with the Company may contact Ms. Jyotsna Gupta, on e-mail Member@essarshipping.co.in or phone no.022-6661100 for registering their e- mail ids on or before Tuesday, 7th day of September, 2021 for entitling the members to cast their vote. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.
5. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
6. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.
7. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and applicable provisions of the SEBI Listing Regulations, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide the facility of voting through electronic means to the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting.
8. The Company shall be providing the facility of voting through E-mail which shall be sent to the designated e- mail id of the Scrutinizer, M/s. Martinho Ferrao & Associates, to those members who could not cast their vote through remote e- voting, Members who cast their votes by remote e-voting may attend the Meeting through VC, but will not be entitled to cast their votes at the Meeting once again.
9. Voting rights of the members (for voting through remote e-voting or e-voting system provide in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date September 22, 2021. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e- voting system provide in the Meeting.
10. In accordance with the aforementioned MCA Circulars, the Company has appointed National Securities Depository Limited (NSDL) for providing the VC facility to the members for participating in the Meeting. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:

    THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

    i The procedure for e-Voting on the day of the AGM is same as the instructions mentioned for remote e-voting.

    ii Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

ii. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Facility of joining the AGM through VC / OAVM shall open 15 minutes i.e from 2:45 PM (IST) before the time scheduled for the AGM and will be available for Members on first come first served basis.

vi. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact (Name of NSDL official).

vii. Members who would like to express their views or ask questions during the AGM may send their questions in advance to company mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at mention Company's email ID member@essarshipping.co.in from Sunday, 26th September, 2021 (9:00 a.m. IST) to Tuesday, 28th September, 2021 (5:00 p.m. IST). The questions will be suitably replied by the company.

11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.

12. In view of the MCA Circulars, no proxy shall be appointed by the members. However, corporate members are required to send to the Company/ RTA/ Scrutinizer, a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting through VC.

13. The Register of Members of the Company will remain closed from Thursday, 23rd day of September, 2021 to Wednesday, 29th day of September, 2021 (both days inclusive) for determining the name of members eligible for voting.

14. The Members may send request for checking Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 at member@essarshipping.co.in before the 11th AGM.

15. The Members may send request for inspection of all other relevant documents referred to in the accompanying notice/explanatory statement at member@essarshipping.co.in before the 11th AGM.

16. The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2020-2021 shall also be available on the Company's website www.essar.com.

17. The Board of Directors has appointed Martinho Ferrao & Associates as the Scrutinizer for the purpose of scrutinizing the remote e- voting and e- voting system provide in the Meeting in a fair and transparent manner.

18. The results of remote e-voting and e- voting system provided in the Meeting shall be aggregated and declared on or after the Meeting of the Company by the Chairman or by any other person duly authorised in this regard.

19. The results declared along with the report of the scrutinizer shall be placed on the Company's website www.essar.com and on the website of NSDL immediately after the result is declared by the Chairman and simultaneously communicated to the Stock Exchanges. Due to the current lockdown situation in the wake of COVID 19 pandemic, the result shall not be displayed on the Notice Board of the Company at its Registered Office.

20. Members are requested to contact the Company's Registrar & Share Transfer Agent, Data Software Research Company Private Limited for reply to their queries/ redressal of complaints, if any, or contact Ms. Jyotsna Gupta, Company Secretary of the Company at member@essarshipping.co.in

21. The Securities and Exchange Board of India (SEBI) has

mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA, Data Software Research Company Private Limited or the Company.

22. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that from 1st April, 2019 transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Members holding shares in physical form are therefore requested to dematerialize their holdings immediately. However, members can continue to make request for transmission or transposition of securities held in physical form.

23. Non-Resident Indian Members are requested to inform RTA, immediately on:

    (a) Change in their residential status on return to India for permanent settlement;

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.

24. Members holding shares in single name and wishes to appoint nominee in respect of their shareholding may download the nomination form from www.essar.com

25. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 26, 2021 at 09:00 A.M. and ends on Tuesday, September 28, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.
How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to < e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.co.in.

2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email member@essarshipping.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to member@essarshipping.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

i The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.

ii Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

iii Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

iv The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

i. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at member@essarshipping.co.in same will be replied by the company suitably.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3.

Ms. Sunita Kotian, who was appointed as Additional Non-Executive Director (Women Director) on the Board of the Company on February 12, 2020 and whose appointment was further confirmed by the Shareholders in the 10th Annual General Meeting of the Members held on September 30, 2020 is liable to retire by rotation pursuant to section 152 of the Companies Act, 2013.

The Company has received a notice under Section 160 of the Companies Act, 2013 from Ms. Saraswathy Subramanian signifying her intention to propose the candidature of herself as a Non- Executive Director (Women Director) of the Company.

Accordingly, the Board of Directors based on the recommendation of Nomination and Remuneration Committee as per the provisions of the section 149, 152 and any other applicable provisions of Companies Act, 2013 recommend the appointment of Ms. Saraswathy Subramanian the Director under Non-Executive Category, liable to retire by rotation as Ordinary Resolution for your approval. Since appointment of Ms. Saraswathy Subramanian is recommended by Nomination and Remuneration Committee the requirement of deposit of One Lakh Rupees shall not apply. Further, Non-executive Director would be paid Sitting fees for attending the meetings of the Board or Committee thereof and any expenses incurred by them on behalf of the Company.

Additional information in respect of Ms. Saraswathy Subramanian pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile Ms. Saraswathy Subramanian is given at Annexure B to this Notice.

Except Ms. Saraswathy Subramanian being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the resolution in relation to appointment of Ms. Saraswathy Subramanian as a Non-Executive Director of the Company, as set out in Item No. 3 for approval of the members by way of an Ordinary Resolution.

Item No. 4.

The Board of Directors of the Company at its meeting held on August 31, 2021 appointed Mr. Jayakumar Rajaram as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from August 31, 2021 subject to the approval of the Members of the Company.

In terms of section 160 of the Companies Act, 2013, Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Jayakumar Rajaram as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has also received a notice in writing from a member proposing the candidature of Mr. Jayakumar Rajaram to be appointed as Director of the Company.

The Company has received a declaration from Mr. Jayakumar Rajaram confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Jayakumar Rajaram fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management. Considering his knowledge and experience in the shipping industry, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years with effect from August 31, 2021. As per Section 160 of the Companies Act, 2013, the requirement of deposit of One Lakh Rupees is not applicable in case of appointment of an Independent Director. Further, Non-executive Director would be paid Sitting fees for attending the meetings of the Board or Committee thereof and any expenses incurred by them on behalf of the Company.

Copy of letter of appointment of Mr. Jayakumar Rajaram setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Mr. Jayakumar Rajaram, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Jayakumar Rajaram is given at Annexure B to this Notice.

Except Mr. Jayakumar Rajaram, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors recommends the resolution in relation to appointment of Jayakumar Rajaram as an Independent Director of the Company, as set out in Item No. 4 for approval of the members by way of a Special Resolution.

Item No. 5.

The Board of Directors of the Company at its meeting held on August 31, 2021 appointed Mr. Suresh Ramamirtham as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from August 31, 2021 subject to the approval of the Members of the Company.

In terms of section 160 of the Companies Act, 2013, Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Suresh Ramamirtham as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has also received a notice in writing from a member proposing the candidature of Mr. Suresh Ramamirtham to be appointed as Director of the Company.

The Company has received a declaration from Mr. Suresh Ramamirtham confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Suresh Ramamirtham fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management. Considering his knowledge and experience in the shipping industry, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years with effect from August 31, 2021. As per Section 160 of the Companies Act, 2013, the requirement of deposit of One Lakh Rupees is not applicable in case of appointment of an Independent Director. Further, Non-executive Director would be paid Sitting fees for attending the meetings of the Board or Committee thereof and any expenses incurred by them on behalf of the Company.

Copy of letter of appointment of Mr. Suresh Ramamirtham setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Mr. Suresh Ramamirtham, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Mr. Suresh Ramamirtham is given at Annexure B to this Notice.

Except Mr. Suresh Ramamirtham, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the resolution in relation to appointment of Mr. Suresh Ramamirtham as an Independent Director of the Company, as set out in Item No. 5 for approval of the members by way of a Special Resolution.

Item 6.

The Company is an integrated logistics services provider engaged in the businesses of sea transportation, logistics services and oilfields services. The Company currently operates a diversified fleet of Very Large Crude Oil Carrier and bulk carriers including Supramaxes and Handysize bulk carriers. The Company in the ordinary course of its business provides sea transportation, logistics services and oilfields services to

Arkay Logistics Limited (ALL). The company is engaged into Logisitics activities and require services of the Company for transportation of raw materials and finished goods. The fleet of the Company includes vessels owned by the Company as well as those taken on finance and/or operating lease. The Company is required to give/take vessels on hire to/from Essar Shipping (Cyprus) Limited (ESCL) for its business purposes.

ALL and ESCL are Related Parties of the Company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015. Current and future transactions with ALL and ESCL are/will be deemed to be 'material' in nature as defined in Regulation 23 of SEBI (LODR), Regulations 2015 as they may exceed 10% of the annual turnover of the Company consequent on future business projections. Thus, in terms of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015, these transactions would require the approval of the members by way of a Special Resolution.

The transactions entered during the year with the said related parties are in accordance with the approval taken from Shareholders in the last Annual General Meeting and approval taken from the audit committee at their respective meeting for the quarter in which the transaction took place

The particulars of the contracts /arrangements /transactions are as under:

Name of the Related Party(ies)	Arkay Logistics Limited, Essar Shipping (Cyprus) Limited, Essar Shipping DMCC, Essar Bulk Terminal Limited
Name of Director(s) or KMP who is/are related	None
Nature of Relationship	Fellow Subsidiaries/Associate Companies
Nature of contracts / arrangements /transactions	Providing Sea Transportation Service for transportation of raw materials and finished goods Giving/Taking vessels on hire
Nature, Material terms of the contracts /arrangements / Transactions	To be determined on an arm's length basis
Monetary Value	Amount mentioned in the resolution for corresponding period
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing Consultants	Yes
Whether the transactions have been/would be approved by the Audit Committee and the Board of Directors of the Company	Yes
Any other information relevant or important for the members to make a decision on the proposed transactions	None

The monetary value of the transactions proposed is estimated on the basis of the Company's current transactions and future business.

The Board is of the opinion that the transactions referred in the resolution would be in the best interest of the Company. The Board accordingly recommends the Special Resolution at Item No. 5 of the accompanying notice for your approval.

Pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") and section 188 of the Companies Act, 2013, all related parties shall abstain from voting on such resolution.

None of the Directors, Key Managerial Personnel, their associates and their relatives are concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 6 of this Notice, except to the extent of their shareholding in the Company, if any.

Information pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard- 2 on General Meetings, in respect of Directors seeking appointment / re-appointment at the Annual General Meeting

Annexure A

Name of the Director	**Jayakumar Rajaram (DIN: 09300654)**	**Saraswathy Subramanian (DIN: 09276003)**	**Suresh Ramamirtham (DIN: 09299459)**
Qualification	As mentioned in Annexure B	As mentioned in Annexure B	As mentioned in Annexure B
Date of birth	16/05/1961	02/11/1953	18/06/1960
Age	60 years	68 years	61 years
Initial date of Appointment	August 31, 2021	-	August 31, 2021
Date of re-appointment	-	-	-
A brief resume of the directors	As mentioned in Annexure B	As mentioned in Annexure B	As mentioned in Annexure B
Expertise in specific functional areas	As mentioned in Annexure B	As mentioned in Annexure B	As mentioned in Annexure B
Terms and conditions of appointment / reappointment	As mentioned in Explanatory Statement	As mentioned in Explanatory Statement	As mentioned in Explanatory Statement
Remuneration proposed to be paid	As per NRC Policy	As per NRC Policy	As per NRC Policy
Remuneration last drawn (including sitting fees, if any) for F.Y. 2020-2021	Not Applicable	Not Applicable	Not Applicable
Shareholding of Directors (as on 31st March, 2021)	None	None	None
Number of Board meetings attended during the F.Y. 2020-2021	Not Applicable	Not Applicable	Not Applicable
Directorships held in other listed companies (as on 31st March, 2021)	None	None	None
Chairmanship/ Membership of the Committees of the Board of Directors of other listed companies (as on 31st March, 2021)	None	None	None
Disclosure of relationships between directors inter-se	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel

Mr. Jayakumar Rajaram, Ms. Saraswathy Subramanian and Mr. Suresh Ramamirtham are not debarred from holding the Office of Director by virtue of any SEBI order or any other such authority.

Annexure B

Brief Profile of Directors seeking appointment at the Eleventh General Meeting in pursuance of SEBI (LODR) Regulations, 2015

1. **Jayakumar Rajaram**

   Mr. Jayakumar Rajaram has close to 34 years of work experience in the fields of Projects, Insurance & Procurement. He is a graduate in Mathematics and has obtained a B. Sc. Degree from Kamraj University, Madurai, Tamil Nadu.

   In his previous stint, he was associated with Essar Shipping for close to 26 years and was responsible for the Procurement of vessels assigned.

   Prior to Essar, he was also associated with Voltas International Limited & Gujarat Ambuja Cements Limited

2. **Ms. Saraswathy Subramanian**

   Ms. Subramanian joined the group on 7th February 1984 and has more than 35 years of experience with the Essar group where she worked in various roles and departments. She joined ESSAR group when they started the offshore supply division of ESSAR shipping. She was responsible for onboard offices and crews.

   She was also actively involved when we purchased the land rigs, mobile and offshore rigs. Her work mainly included co-ordination with ONGC for whom the Company was employing our offshore supply vessels such as handling expatriates, supply of provisions such as engine store etc.

   She worked for some time in the Corporate Relations group under the leadership of RK Sukhdevsinghji. She also have experience in the Aviation department. Her last stint was in Hazira where she was in charge of shipping administration and floating staff movement.

3. **Mr. Suresh Ramamirtham**

   Mr. Suresh Ramamirtham worked with ESSAR group of companies for 40 years in: Oil, Ports, Shipping, Constructions and Solar business. His areas of expertise included: Marketing, Operations, HR, and Finance.

   Suresh Ramamirtham is an MBA and has various certification in oil and Shipping fields including from Essar Oil as a Petroleum Trader and IOC trained LPG courses

DIRECTORS' REPORT

To the Members of Essar Shipping Limited

Your Directors are pleased to present the Eleventh Annual Report and Audited Financial Statements of the Company for the financial year ended March 31, 2021.

FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2021 is summarized below:

Particulars				Rs. in Crore
	Consolidated		Standalone	
	For the year ended 31-03-2021	For the Year ended 31-03-2020	For the year ended 31-03-2021	For the Year ended 31-03-2020
Total Income	508.16	1,494.30	175.89	551
Total Expenditure	442.24	1,083.54	149.27	403.69
EBITDA	**65.92**	**410.75**	**26.62**	**147.31**
Less: Interest & Finance charges	488.69	432.58	212.16	209.87
Less: Provision for Depreciation	173.76	172.25	112.53	110.35
Profit / (Loss) before Tax	**(596.53)**	**(194.08)**	**(298.06)**	**(172.91)**
Less: Provision for Tax	(0.62)	(1.11)	(0.62)	(1.11)
Profit / (Loss) for the year before share of profit of associate	**(597.15)**	**(195.19)**	**(298.68)**	**(174.02)**
Add: Exceptional item	(23.41)	(1,491.66)	0.79	(2,779.42)
Add: Share of profit of associate	-	-	-	-
Add: Other Comprehensive Income/ loss	(0.10)	2.91	0.20	2.91
Profit / (Loss) for the year	**(620.66)**	**(1,683.94)**	**(297.69)**	**(2,950.53)**

DIVIDEND

In the absence of profit, the Board of Directors are unable to recommend any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the World Economy & Shipping Industry

The year 2020, as the world faced a crisis like no other, national governments took bold steps to save lives and put a floor under the world economy, with nearly $12 trillion in fiscal actions and about $7.5 trillion in monetary actions. The global health and economic crisis triggered by the pandemic has upended the landscape for maritime transport and trade and significantly affected growth prospects. At one point, more than 80 countries had closed their borders to arrivals from countries with infections, ordered businesses to close, instructed their populations to self-quarantine, and closed schools to an estimated 1.5 billion children. It led to significant reductions in income, a rise in unemployment, and disruptions in the transportation, service, and manufacturing industries. It also led to significant economic impact across the globe due to reduced productivity, loss of life, business closures, trade disruption, and decimation of the tourism industry. Estimates indicate the virus reduced global economic growth in 2020 to an annualized rate of -3.4% to -7.6%.

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022 as per IMF

The coronavirus disease (COVID-19) pandemic has underscored the global interdependency of nations and set in motion new trends that will reshape the maritime transport landscape. The sector is at a pivotal moment facing not only immediate concerns resulting from the pandemic but also longer-term considerations, ranging from shifts in supply-chain design and globalization patterns to changes in consumption and spending habits, a growing focus on risk assessment and resilience-building, as well as a heightened global sustainability and low-carbon agenda. The sector is also dealing with the knock-on effects of growing trade protectionism and inward-looking policies. The pandemic has brought to the fore the importance of maritime transport as an essential sector for the continued delivery of critical supplies and global trade in time of crisis, during the recovery stage and when resuming normality.

At the beginning of 2020, the total world fleet amounted to 98,140 commercial ships of 100 gross tons and above, equivalent to a capacity of 2.06 billion dwt. Trade tensions caused trade patterns to shift, as the search for alternative markets and suppliers resulted in redirection of flows away from China towards other markets, especially in South-East Asian countries.

Shipping is a derived demand largely determined by developments in the world economy and trade. Owing to the slowdown in the world economy and trade, growth in international maritime trade stalled in 2019 and reached its lowest level since the financial crisis of 2008–2009. A number of factors weighed on the performance of maritime trade. These included trade policy tensions; adverse economic conditions and social unrest in some countries; sanctions; supply-side disruptions, such as the Vale dam collapse in Brazil and Cyclone Veronica in Australia; and low oil demand growth. UNCTAD (United Nations Conference on Trade & Development) estimates the total volume of maritime trade in 2019 at 11.08 billion tons.

Maritime business

Lingering trade tensions and high policy uncertainty undermined growth in global economic output and merchandise trade and by extension, maritime trade. Maritime trade volumes expanded by 0.5 per cent, down from 2.8 per cent in 2018 and reached a total of 11.08 billion tons in 2019.As the debate on the recovery continues to evolve, it is becoming clear that disruptions caused by the COVID-19 pandemic will have a lasting impact on shipping and trade. Potential shifts range from changes in globalization patterns to alterations in supply-chain design, just-in-time production models, technology uptake and consumer spending habits.

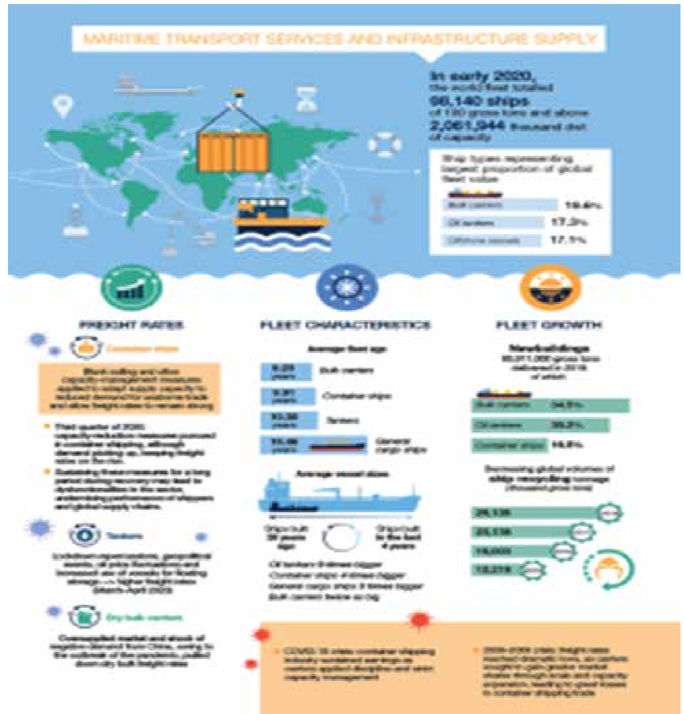
In 2019, developing economies continued to account for the lion's share of goods being loaded (58 per cent) and unloaded (65 per cent) in seaports worldwide. Dry cargo continued to account for over two thirds of total maritime trade volumes, while liquid bulk commodities, including crude oil, refined petroleum products, gas and chemicals, accounted for the remaining share. In 2002, China imported 121.7 million tons of iron ore and coal, accounting for 11.8 per cent of the global iron ore and coal trade by sea. In less than two decades, these volumes increased to 1.3 billion tons, bringing the country' market share to nearly 50 per cent of the world total. Gas trade in ton-miles expanded swiftly to 9.9 per cent in 2019. Other segments recorded relatively smaller growth; ton-miles generated by trade in chemicals expanded by 3.2 per cent, followed by container trade (1.9 per cent) and other dry cargo (1.6 per cent).

Since the onset of the shale revolution in the United States, developments in the country's energy sector have played a significant role in shaping global tanker trade. This was apparent throughout 2019, with a decline in United States crude oil imports and a rise in its long-haul exports. Pressure on the crude demand side include lower global oil demand, a sharp reduction in United States imports and a decline in global refinery activity. With regard to imports, China and India remained key markets. In India, import demand for liquefied petroleum gas was supported by the continued rollout of liquefied petroleum gas infrastructure in rural areas under a government subsidy programme.

Seafarer Crisis - Each month about 150,000 seafarers need to be changed over as they operate to ensure compliance with international maritime regulations for ensuring safety, crew health and welfare, and the prevention of fatigue. The pandemic has led to restrictions in the cross-border movement of persons, closures of consulates affecting visa processing, port closures, disembarkation restrictions and lack of air services, which have impaired the ability to repatriate or resupply crews.

The pandemic has brought visibility to seafarers with the recognition that they provide an essential service because they ensure trade in essential goods, such as medical supplies and food, and they keep supply chains running. However, the slow pace of concrete actions highlights the challenges of balancing the safety and well-being of workers with operational continuity, which raises the question as to whether practices and procedures regarding crew changeover, disease management, health care and welfare need to evolve to enhance support for seafarers.

Raising the Gender Bar- Further, the pandemic has provided an opportunity to raise awareness of the importance of gender in the maritime sector, including seafarers. Today, women represent only 2 per cent of the world's 1.2 million seafarers; 94 per cent of women seafarers are working in the cruise industry. It is important to move forward and promote a safe and attractive sector that supports greater engagement for women.



BUSINESS PERFORMANCE, OPPORTUNITIES AND OUTLOOK

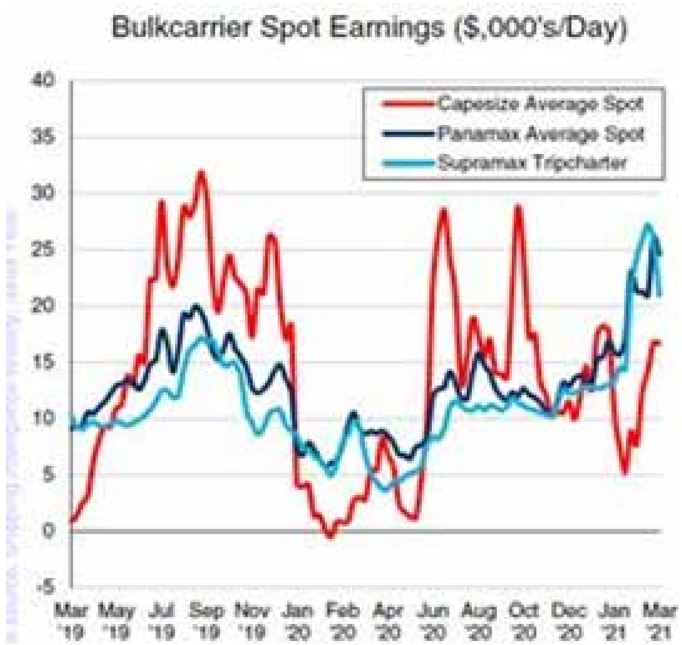
Freight rates and Maritime trade by Cargo type

In the first half of 2020, freight rates were higher compared with 2019 for most routes, with first half of 2021 reporting extreme volatility with freight rates nearly doubling for all the segments.

(a) Tanker trade: Around the middle of March 2020, the Saudi led oil price war manifested by flooding of the market by crude oil at hugely discounted prices, caused the demand for VLCC's to shoot up spectacularly, with TD3C shooting up from (World Scale)WS50 levels to about WS160 levels in the space of a few days. Most of the crude was loaded from Saudi ports destined for western destinations- mainly USA. The resulting contango due to the Saudi induced depressed spot prices and the COVID-19 inspired demand destruction caused the land based storage fill up rapidly, and as a consequence made floating storage viable. Several units were fixed for floating storage from varying periods from 3 months to a year at rates peaking at about USD 130k per day. In May of 2020 with oil prices beginning to recover partly due an agreement amongst OPEC+ to agree to cut supply by and unprecedented 9.7 mill bbls/day coinciding with a sharp recovery in demand for crude due to economy's emerging from lockdown caused the contango to flatten out, as well beginning a much earlier than expected unwinding of the storage play. The markets in the beginning of June had caused TD3C to recede down to WS 60 levels. June and July saw record low fixtures on the spot market from AG in the double digits. Subsequently, in August voluntary refinery maintenance shutdowns with fresh lockdowns imposed in Europe & other Asian countries led to further deterred freight rates despite the start of the winter session. Crude inventory purchased in the beginning of the year was enough to cater to the ongoing demand. Earnings slid to negative with no increase from OPEC+ production leading to industries around the world face the problem of unavailability and increase prices of POL products, thereby impacting margins. The earnings are now well below break-even for the global VLCC fleet, barely managing OPEX levels.

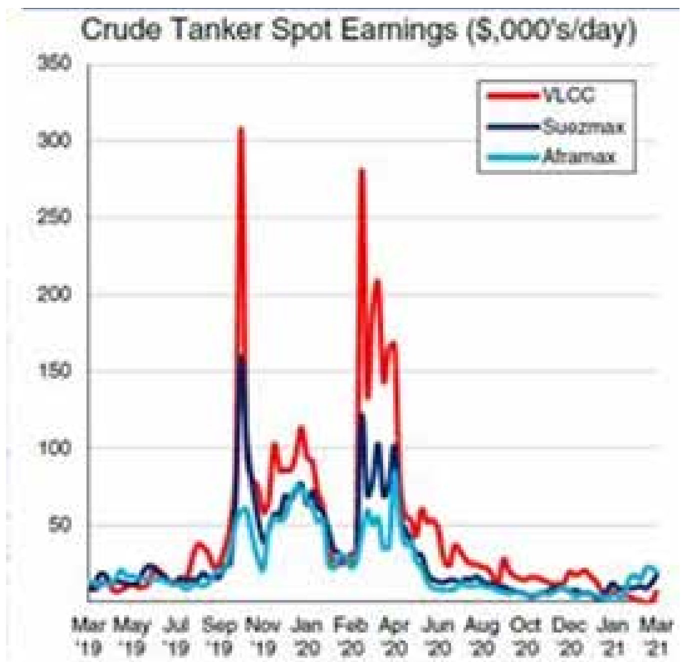
(b) Dry cargo trade: Dry bulk shipping received maximum impact due to COVID 19 with extreme variations in freight prices. Although the virus was declared on 8th Dec 2019, the impact was restricted to China. Since Jan'20, market was down due to New Year and followed by Chinese New Year. On 12th Feb, dry cargo index dropped to 418 signifying a drop of 72.6% from Dec'19. Capes were trading at USD 2500 per day, Panamax at USD 4500 and Supramax at USD 5000 per day. Market remained range bound till 31st May, all sectors of dry bulk were earning below OPEX. Most of the ports in Indian & globally declared Force Majeure with subsequent Quarantine restrictions causing losses to Owners. Trade started to pick up post mid-June with the relaxation of lock down giving confidence to traders to book cargoes. India started a phased easing of its 'lockdown', with a pick-up in industrial activity supporting the import of coal trade & other sea borne bulk movement. The global trade movement further increased with Australian mines opening up for business. Eventually, with the upswing in industrial activity & a reduction in tonnage available globally led to Capesize shipments settling at $30k per day in Jan'20. While contraction has been projected in global sea borne trade, the story for Baltic Dry Bulk Index was far different with BDI peaking to decade high levels of 3300 levels in July '21.Global sentiments picked up given the ease of sanctions on Qatar by the Middle East council of member nations. The continued surge in the market was against the backdrop of ten year high iron ore prices, improved coal volumes and stability in global steel prices. In 2019, growth in coal (coking and thermal) trade slowed to 2.4 per cent, reflecting fewer thermal coal imports into Europe and lower coking coal demand in China.

Daily earnings of Bulk carrier vessels for last 2 yrs is summarized as below;



Source: Clarkson's Shipping Intelligence, 26th Mar'21

Daily earnings of tanker segment since Mar 2019 is summarized as below:



Source: Clarkson's Shipping Intelligence, 26th Mar'21

Shipbuilding, S&P (Sale & Purchase), New Orders & Demolition MARKET

The COVID period has seen impact variations again in the S&P activities on the number of transactions, price levels, demolitions etc.

The initial phase of COVID had a little impact as the strong tanker market and contango had the tanker S&P market reaching very strong levels. As COVID started to have the worldwide impact March – April onwards and countries started to close borders, the activities almost came to a halt.

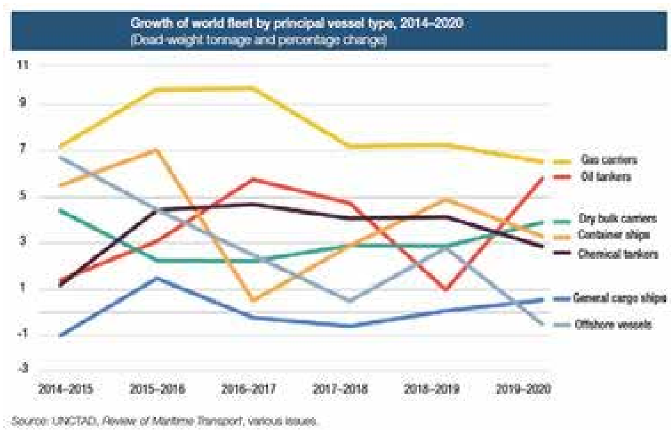
The uncertainty and lock downs got the majority of players to have a wait and watch attitude with very few deals taking place. However, in 2H of 2020, the S&P segment saw record levels of transactions due to optimism around economic recovery, relatively low new building order books and the potential impact of emissions regulation. Additionally, escalating new building pricing (driven by improved demand, especially in containers, but also escalating steel prices and exchange rates) and surging scrap prices (40% increase in guideline scrap price since 2020) have also provided support. Second-hand sales in the dry bulk segment saw record high volumes from past 5 years with nearly a 60% jump in values of prices across vessel segments.

In early 2020, the world order book had declined with respect to dry bulk carriers, oil carriers, container ships and general cargo ships. Orders for three of these shipping segments have been shrinking since 2017 (except for dry bulk carriers, which increased in 2019). Widening disparity between newbuilding prices and earnings, geopolitical instability, persistent financing challenges and broad uncertainty over fuel and technology choices explain this trend. The pandemic led to reductions and delays in newbuilding delivery and to a standstill in ship recycling. This can be attributed to lockdown-induced labour shortages in the shipbuilding and ship recycling industries. In addition, other measures implemented to reduce the spread of the pandemic, such as travel restrictions, made it impossible for owners to arrange visits or obtain a crew for final delivery. Port closures also affected tonnage arrival into scrapping destinations on the Indian subcontinent.

Source: Clarkson's Shipping Intelligence, 9th Jul'21

Structure of the world fleet

In early 2020, the total world fleet amounted to 98,140 ships of 100 gross tons and above, equivalent to 2,061,944,484 dwt of capacity. In 2019–2020, growth in the oil tankers segment was the highest observed since 2015. At the start of 2020, the average age of the global fleet was 21.29 years in terms of number of ships, and 10.76 years in terms of carrying capacity in dwt. Over the past 20 years, vessel sizes have been increasing to optimize costs through economies of scale. Greece, Japan, and China remain the top three shipowning countries in terms of cargo-carrying capacity representing 40.3 per cent of the world's tonnage and 30 per cent of the value of the global fleet. Panama, Liberia and the Marshall Islands remain the three leading flags of registration, in terms of carrying capacity and of value of the fleet registered. As of 1 January 2020, they represented 42 per cent of the carrying capacity and 33.6 per cent of the value of the fleet. China, the Republic of Korea and Japan maintained their traditional leadership in shipbuilding, representing 92.5 per cent of the new building deliveries in 2019



Overview of the Indian Maritime Economy including Neighbour Nations

In India and countries of South-East Asia, imports continued to rise, given new coal-fired power generation capacities. India, the world's largest seaborne coking coal importer, and Vietnam, which is becoming a major steel producer, increased their coking coal imports in 2019 to support growth in their steel sectors.

Vietnam benefited the most from the changing trade patterns triggered by trade tensions. The production of some goods, such as electronics and footwear, had already been delocalized to Vietnam as the country continued to boost its capacity to receive new business by developing port and inland transportation infrastructure and upgrading manufacturing skills. In a parallel development, carriers added trans-Pacific services at ports in Vietnam. Other South-East Asian nations also expanded their manufacturing base, but at a slower pace.

Some of the strengths that support the Indian Maritime shipping economy are the growth of the country's economy,(estimated at 9.5% by IMF-highest in 3 decades), benefit of ROFR(Right of First Refusal), long - term reserved charters, dealing with renowned PSU's or big private players, ease in trade while it's weakness lies in availability of capital to finance purchase of vessels, thereby resulting in shrinking tonnage, older tonnage available along the coast, higher taxes paid by the Indian shipping companies, duties on bunkers etc.

The current crude oil refining capacity is at 249.86 MMTPA where 222.19 MMT of crude is imported to produce the said capacity. The current Indian fleet can being in only 100.45 MMT giving foreign players almost half the capacity worth business losing the valuable foreign exchange. Similar is also the case with the dry bulk segment. India is the world's second largest steel producer making it one of the largest importer of coal & iron ore in the world. The total iron ore traffic handled by Indian owned tonnage was only 50% of the total 71 million tonnes handled by Indian ports in FY 21.

India's cargo traffic handled by ports is expected to reach 1,695 million metric tonnes (MMT) by 2021-22 according to a report by the National Transport Development Policy Committee. The current capacity stands at 1535 MMT. Domestic waterways have found to be a cost-effective and environmentally sustainable mode of freight transportation. The government aims to operationalise 23 waterways by 2030.

Despite a significant growth in the volumes of cargo handled and traded, the share of Indian shipping in the nation's seaborne trade stood barely at 7.5%.

There are multiple Attractive Opportunities paving way for growth in the sector. The Sagarmala project, port mordernisation & new port development, coastal shipping & inland waterways, Govt. support through "Aatmanirbhar Bharat" etc.

MARITIME TRADE IN THE ERA OF PANDEMIC

Initially localized in China, the pandemic evolved rapidly and became a global game changer by the first quarter of 2020. The spread of the disease worldwide and the consequent disruptions to societies and economies had far-reaching implications, including for transport and trade. Amid supply-chain disruptions, falling global demand and global economic uncertainty caused by the pandemic, the global economy suffered dislocation, first at the supply end, then at the demand end. While disruptions such as natural disasters, conflicts, strikes and security incidents are common in maritime transport, the pandemic is exceptional, given its scale, speed and direct impact on global supply chains, transport and trade. Historically, no disruption has ever resulted in a global lockdown of people and business. Restrictions on mobility, travel and economic activities worldwide, although in varying degrees, are unprecedented. By mid-April 2020, nearly 90 per cent of the world economy had been affected by some form of lockdown, and by month's end, about 4.2 billion people or 54 per cent of the global population were affected with the measures. As many as 100 countries closed their national borders, disrupting supply and supressing global demand for goods and services. No country was prepared to face the combined health and economic crisis. Since more than 80 per cent of world merchandise trade by volume is carried by sea, the impact of the pandemic on maritime transport can have far-reaching implications. The impact is magnified by the role played by China in maritime trade, as prosperity within the shipping sector has long been strongly tied to that country.

In this context, its maritime trade has ripple effects on all shipping market segments, and supply-chain disruptions involving China naturally send shockwaves across shipping and ports worldwide. As the pandemic weighed down on the maritime trade of China, especially during the first quarter of 2020, global maritime trade was bound to be affected. Even as major economies eased out of lockdown, the situation remained problematic and continued to evolve amid uncertainty about the pandemic and possible new spikes.

Many developing countries will be affected by declining demand and export revenues, remittances, foreign direct investment and official development assistance. In April 2020, trade in energy and automotive products fell by about 40 per cent and 50 per cent in value, respectively. The globalization process based on low labour cost differentials and on an extensive outsourcing of production that stimulated trade may have reached its limits, with factors other than developments in the world economy and population likely to shape the maritime trade patterns of the future transport. These include the global decarbonization agenda, which has implications for the two largest commodities transported at sea: crude oil and coal. Another driver would be the growing demand for smaller and low-value packages of physical goods that are increasingly bundled with services and require faster transit time. These shifts in demand patterns are expected to question the cost advantage of shipping compared with other means of transport.

Figure 1.12 Varied forecasts of gross domestic product growth for 2020
(Percentage change)

Outlook

Uncertainty remains an overriding theme in 2020. Predicting the impact on maritime trade and the timing and scale of the recovery is fraught with uncertainty. Many factors are at play, significantly influencing the outlook. These include the pathway of the pandemic, the effectiveness of the efforts to control further outbreaks, continued shifts in spending patterns, trends in consumer and business confidence, developments in commodity prices and the ability of stimulus packages to give an impetus to growth and put the world economy back on track. For 2021, UNCTAD estimates that maritime trade flows will recover by 4.8 per cent.

- Oil and gas trade declines with restrictions in travel and transport in 2020

  The pandemic has had a significant impact on trade in oil and gas. Global oil demand fell with the freezing of large parts of the global economy, restrictions on travel and transport, and cuts in industrial activity and refinery output. Together, these factors have depressed demand, as volumes of both crude oil and refined petroleum products have declined. Surplus in oil production has practically filled all oil inventories, with many vessels being used as floating storage. The implementation of supply cuts by the extended group of the Organization of the Petroleum Exporting countries in early May 2020 is expected to reduce the availability of crude oil. Disruptions in oil infrastructure in Libya, alongside declining outputs in the Islamic Republic of Iran and the Bolivarian Republic of Venezuela, are also curtailing growth. The outlook for liquefied natural gas shipping is also affected by the pandemic.

- Dry bulk trade affected by decline in industrial and automotive sector activities

  Global dry bulk trade came under pressure in 2020, owing to suppressed economic activity and demand. Nonetheless, a partial recovery in Brazilian iron ore exports and the rebuilding of stockpiles in China should support iron ore trade flows after a decline in 2019, the first in two decades. Trade in coal is projected to shrink, due to weaker power demand in many regions, and lower oil and gas prices are making coal power generation less competitive. The steel and aluminium sectors, on which the automotive industry depends, collapsed, and the automotive sector is expected to revive post recovery from the pandemic albeit less moderately.

- Shifts in consumption and shipping patterns with the rise of e-commerce likely to continue

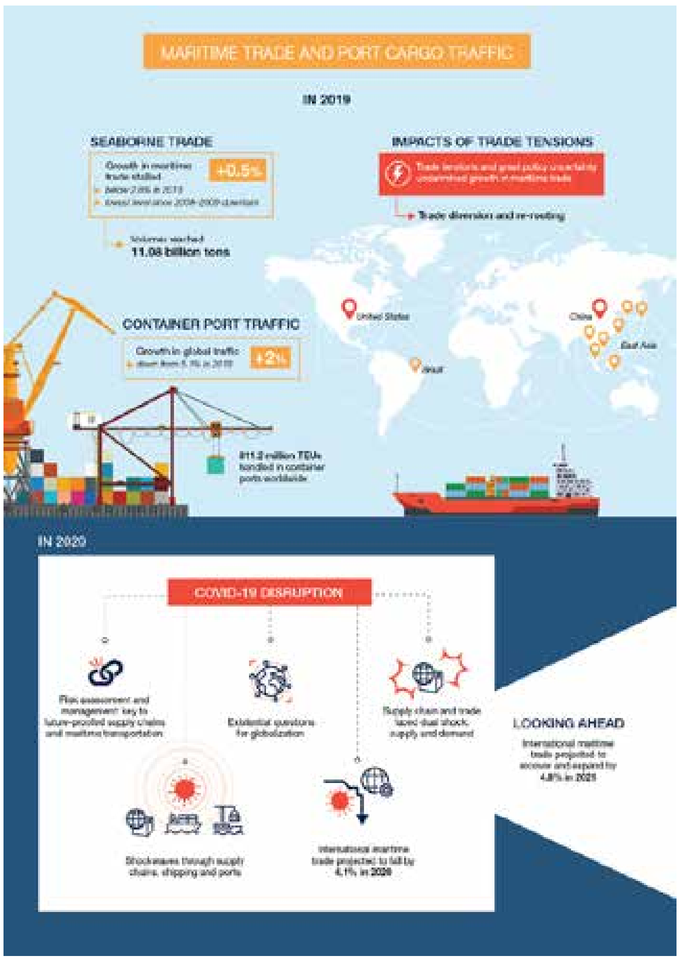
  The pandemic revealed how e-commerce can be an important instrument to sustain consumption during crises. The pandemic and the lockdown may have boosted e-commerce uptake, which may continue as consumption patterns evolve. The potential for growth is significant. UNCTAD puts global e-commerce sales in 2018 at $25.6 trillion, up 8 per cent over 2017. In 2018, the estimated e-commerce sales value, which includes business-to-business and business-to-consumer sales, was equivalent to 30 per cent of global GDP. The United States continued to dominate the overall e-commerce market and remained among the top three countries in business-to-consumer e-commerce sales, namely China and the United Kingdom

Conclusion

Maritime transport remains pivotal in an interdependent world Aftermath of the pandemic: Some potential implications. An accelerated shift in globalization patterns and supply-chain designs. A swifter uptake of technology and digitalization, with technology increasingly permeating supply chains and their distribution networks, including transport and logistics. Continued shifts in consumer spending and behaviour and evolving tastes that may change production and transport requirements. Heightened importance of new criteria and metrics such as assessment and management on relevant policy agendas and industry's business plans and strategies.

Priority action areas in preparation for a post-COVID-19 pandemic world

Fostering economic recovery. Allowing trade to support growth and development effectively. Helping reshape globalization for sustainability and resilience. Strengthening international cooperation. Assisting shipping and ports in preparing for and adapting to the supply chains of the future.



Sustainable shipping, decarbonization and ship pollution control remain priorities. More stringent environmental requirements continue to shape the maritime transport sector. Greenhouse gas emissions from international shipping continue to rank high on the international policy agenda. With regard to the protection of the marine environment and the conservation and sustainable use of marine biodiversity, there are several areas where regulatory action has recently been taken or is under way. These include the implementation of the IMO 2020 sulphur limit, ballast-water management, measures to address biofouling, the reduction of pollution from plastics and microplastics, safety considerations of new fuel blends and alternative marine fuels, and the conservation and sustainable use of marine biodiversity of areas beyond national jurisdiction.

Bringing down the carbon footprint of shipping is not only a function of the age of the fleet (which could be associated with the introduction of technical improvements) but could also be a function of operational measures, such as speed optimization, or of shifting to alternative fuels. Other factors that also come into play are maintenance schemes or fleet-renewal trends linked to scrapping patterns and financial incentives Although newbuildings would result in an 80–90 per cent improvement in operational efficiency, they would require significant investment to enable fleet replacement to meet the emission-reduction targets set in regional and national decarbonization strategies, highlighting the need for financing.

ESSAR SHIPPING OPERATIONS & BUSINESS DEVELOPMENT

Essar Shipping had employed 75% of its fleet in captive business for the past 5 years. Presently, all the vessels are employed for third party business.

The Company is catering to Third party clients such as Arcellor Mittal Nippon Steel, JSW Steel, Shree Cement, Jindal steel and Power, Power International, Amubja Cement, Jindal, Team bulk Carriers, Delta Corporation, Seatrek Singapore, Zeel Shipping, Victory Shipping leading to vessels being fully employed even during the peak pandemic time.

MT Smiti, vessel has always been on market. She is employed with major refinery/ traders like Vitol, Formosa, Shell IOCL, BPCL and many more.

The Company also undertook drydock for 3 of its vessels namely, MV Maithili in UAE & MV Mahavir, MT Smiti in China. This was amidst travelling restrictions, quarantine regulations and challenges with yard and services in view of COVID Pandemic.

While the Drydocking was already deferred given the pandemic, the activity had to be completed to ensure safety of vessels and compliances for commercial employment. The above challenges led to increase in estimated costs by USD 3.1 mn

MT Smiti was fitted with Scrubber & Ballast Water Treatment Systems in accordance with IMO 2020 regulations which was a CAPEX investment of USD 3 mn. The vessel can now trade in the market at a premium than other vessels available.

The company made considerable progress during year under review to monetize its assets and repaid the dues to the secured lenders.

<u>OILFIELD BUSINESS</u>

<u>Industry outlook GLOBAL PERSPECTIVE</u>

In India is the 3rd largest consumer of oil and petroleum products after USA and China. India's energy demand is expected to double to 1516 Mtoe* by 2035 from 753.7 in 2017. The Oil and

Gas industry is growing robustly and players are undertaking investments to cater to the burgeoning demand. The industry is expected to attract USD 25 billion investments in Exploration & Production by 2022. Government has enacted various policies such as the OALP, DSF and CBM policy to encourage investments.

In September 2018, Government of India approved fiscal incentives to attract investments and technology to improve recovery from Oilfields which is expected to lead to hydrocarbon production worth Rs 50 lakh crore (US$ 745.82 billion) in the next twenty years.

Availability of Natural Gas

The availability of natural gas has steadily increased from a mere 40.91 BCM during 2008-09 to 52.52 BCMs during 2017-18, registering a CAGR of 2.53%.

India had produced 31.83 bcm of gas in FY18 which is expected to rise and reach 36 bcm by 2021.

Availability of Crude Oil

The availability of crude oil in the country increased from 166.28 MT in 2008-09 to 256.12 MT during 2017-18.

During this period, crude oil production increased from 33.51 MT to 35.68 MT and the net import increased from 132.78 MT to 220.43 MT between 2008-09 and 2017-18. There was increase of 2.47% in availability of crude oil during 2017-18 over 2016-17.

Market Overview & Trends

- State-owned ONGC dominate the upstream segment.

  It is the largest upstream Company in Exploration and Production (E&P) segment, accounting for total reserves of upto 1,853.23 MMTOE as on April 2019. ONGC's total production of Oil is 34.33 MMT & total production of Gas is 30.55 BCM (Doemstic & Overseas).

  ONGC produced 20.2 million tonnes of crude oil in the fiscal year ending March 31 (2020-21) and 21.1 million tonnes in 2018-19. It produced 21.87 billion cubic metres of gas in 2020-21 and 24.67 bcm in 2018-19.

  ONGC accounted for around 61.25 per cent of total crude oil production in India in FY19*.

- During FY19, 516 wells were drilled in the country.
- State-owned oil companies undertake most of the upstream drilling and exploration work.
- In September 2018, investments worth Rs 5,900 crore (US$ 840.70 million) were committed in 55 Oil and Gas exploration areas awarded under Open Acreage Licensing Policy – 1. The Government of India will soon undertake auction of 14 more blocks in the second round.
- The government is planning to invest US$ 2.86 billion in the upstream Oil and Gas production to double the natural gas production to 60 bcm and drill more than 120 exploration wells by 2022.

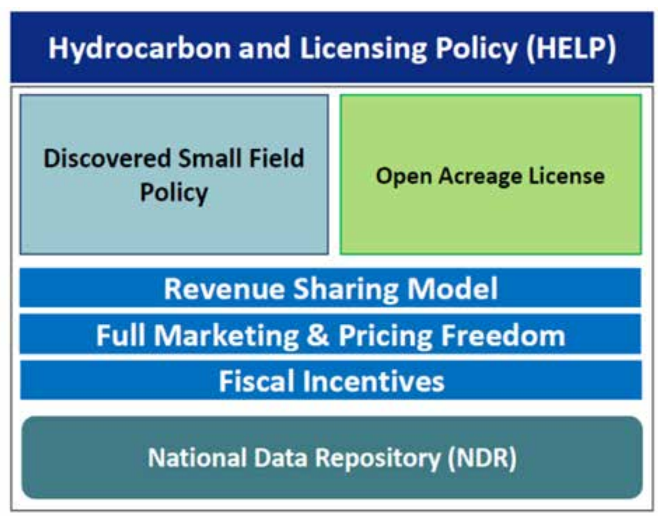
Notable Trends

Coal Bed Methane

- Government approved the CBM policy in 1997 to boost the development of clean and renewable energy resources.
- The CBM policy was designed to be liberal and investor friendly; the 1st commercial production of CBM was initiated in July 2007 at about 72,000 cubic metres per day. Production in 2018-19 stood at 596.63 million cubic metres .

***Mtoe stands for Million Tonnes of Oil Equivalent**

Architecture of New E&P Policy



Open Acreage Licensing Policy (OALP)

- The Open Acreage Licensing Policy (OALP), which allows an explorer to study the data available and bid for blocks of his choice has been initiated to increase foreign participation by global E & P companies like Shell, BP, Conoco Phillips etc.,
- Easy access to existing G&G data through National Data Repository (NDR)

- → The fifth bid round under Open Acreage Licensing Policy (OALP) offering 11 blocks for exploration and development would generate immediate exploration work commitment of around USD 400-450 million. So far, the government has awarded 94 blocks in four rounds in the last two-and-a-half years. These 94 blocks cover an exploratory area of about 1,36,800 square kilometers over 16 Indian sedimentary basins.

Discovered Small Fields Policy (DSF)

The Discovered Small Field policy provides for single uniform license for producing all kinds of hydrocarbon, no cess on the oil production, moderate royalty structure, customs duty exemptions and complete marketing and pricing freedom for the sale of produced crude oil and natural gas. These small fields have been discovered by National Oil Companies i.e. Oil & Natural Gas Corporation Ltd (ONGC) and Oil India Ltd (OIL) and are envisaged to be put on production through expeditious efforts.

Salient Features of Discovered Small Field Policy

Some of the key highlights of the DSF policy are as follows:

- Up to 100% FDI participation by foreign companies, joint ventures.
- Single licence for exploration and extraction of all type of hydrocarbon resources will be allowed.
- *No restriction on exploration activity during contract period:* Contractor will be allowed to carry out exploration during entire contract duration.
- *Crude Oil & Gas Pricing and Sale:* Freedom to sell crude oil exclusively in domestic market. For Gas pricing, contractor will have freedom for pricing of gas produced.
- *Open to all:* To incentivize new investors, technical capability is not kept as a pre-qualification criteria.
- No carried interest by National Oil Companies (ONGC, OIL) or State participation.
- *Revenue sharing after onset of Production:* Biddable Government share of revenue (net of Royalty) shall be payable only after onset of production.
- *Custom duty:* Customs duty is exempted on import of goods and services for Petroleum operations
- *No Oil Cess:* No Oil Cess will be applicable on crude oil production

Following the success of DSF Bid Rounds and the fact that there are still many more unexploited discoveries, Government has extended the DSF policy and launched DSF Bid Round-III on 10th June 2021 offering 32 Contract Areas for International Competitive Bidding.

In DSF-III, 11 onshore blocks, 20 offshore and one deepwater area are being offered for bidding.

In the previous two rounds between 2016 and 2018, 54 blocks were awarded.

According to DGH, 29 field development plans entailing USD 1.76 billion investment.

Oil production from the areas awarded in two rounds of DSF is envisaged to reach 1.3 million tonnes by 2024 and gas output to touch 2.9 billion cubic meters.

Features of DSF Round –III are as below:

- 32 Contract Areas (75 fields) offering for International Competitive Bidding
- These blocks, spread over about 13,000 square kilometers, hold 75 oil and gas discoveries with a combined resource base of 230 million tonnes of oil and oil equivalent gas.
- Larger field areas on offer in already ready discovered basins
- Better fiscal offering through Revenue Sharing Contracts
- Investor friendly DSF policy – further aligned to 'HELP'

Strategies Adopted

- → Indian companies are enhancing production through redevelopment plans to increase recovery rates of hydrocarbon from oil wells; ONGC in Mumbai High achieved success in implementing this.
- → Companies are looking forward to developing JVs and technical partnerships with foreign companies to improve capabilities to develop shale reserves.
- → Private sector units like Adani, Sun Petrochemicals and few new entrants have bagged 1/3rd of small Oil and Gas fields.

Regulatory Framework

- → The policy on Shale gas and oil allows companies to apply for shale gas and oil rights in their petroleum exploration licenses and petroleum mining leases.
- → The OALP allows companies to carve out area for petroleum exploration and production. The policy, launched under Hydrocarbon Exploration and Licensing Policy (HELP), has replaced New Exploration and Licensing Policy under which bidders did not have the freedom of carving out areas for E&P.
- → The Marginal Field Policy allows to monetise discovered small Oil and Gas fields to augment domestic production along with improved fiscal terms viz. no oil cess applicable on crude oil production, no upfront signature bonus, pricing and marketing freedom for Oil and Gas and no carried interest by NOCs.

Opportunities

- → Locating new fields for exploration: 78% of the country's sedimentary area is yet to be explored

- Development of unconventional resources: CBM fields in the deep sea
- Opportunities for secondary/tertiary oil producing techniques
- Higher demand for skilled labour and oilfield services and equipment

In the regime of 12th five year plan, the government is expected to focus majorly on E&P activities, including intensive exploration of existing hydrocarbon reserves and geographical focus on the east coast for exploring oil fields. While ONGC and IOC, both upstream companies, are expected to spend Rs 1.75 trillion (US$ 32.9 billion) and Rs 190 billion (US$ 3.6 billion), respectively, primarily in exploration activities, it is essential to capitalise upon key opportunities that are put forth to maximise deployment of land rig assets on longer duration with these companies. Apart from these two, in the private sector, the E&P companies like Cairn Energy & other marginal field operators in India are expected to increase their spending on exploration of wells. This apart, development of the unconventional energy sources such as shale gas & CBM poses larger opportunites for the deployment of land rig business.

The Oilfield services market is forecast to grow at a CAGR of over 5% by 2027 in India.

Growth in the market is anticipated on account of growing demand for Oil & Gas, rising on-site demand and evolving technologies being used in oilfields. West and East regions are expected to witness a faster growth due to the presence of larger Oilfields and allocation of new blocks in both Offshore and Onshore sites. Moreover, rising foreign investments in Indian Oil & Gas sector and rising adoption of advanced technology is further expected to propel growth in India oilfield services market through 2027.

Land Drilling Rig Market

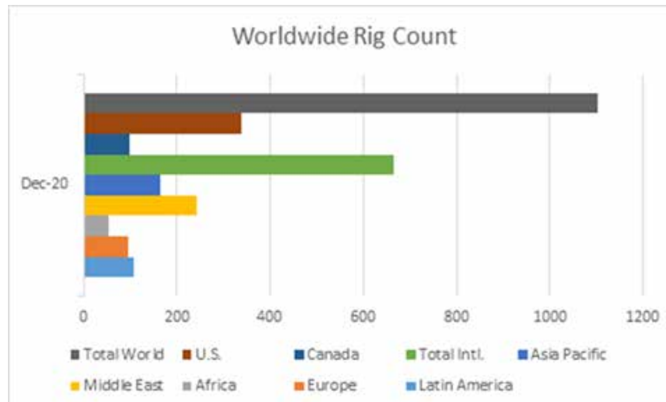
Peer Group Comparison against Players /Competitors and Bench Marking of Performance

The onshore activities in India have not been affected by the global oil slump as the offshore segment. According to the recent estimates from Baker Hughes International rig count, Indian onshore rig count has almost been stable averaging mostly above 80 active Rigs over the past five years.

As per the estimates, the Land Drilling Rig count in India is expected to increase upto ~ 100 by 2024 which currently stands at 65 Rigs.

Worldwide Rig Count in December 2020

Worldwide Rig Count									
Year	Latin America	Europe	Africa	Middle East	Asia Pacific	Total Intl.	Canada	U.S.	Total World
Dec-20	109	97	53	242	164	665	100	339	1104

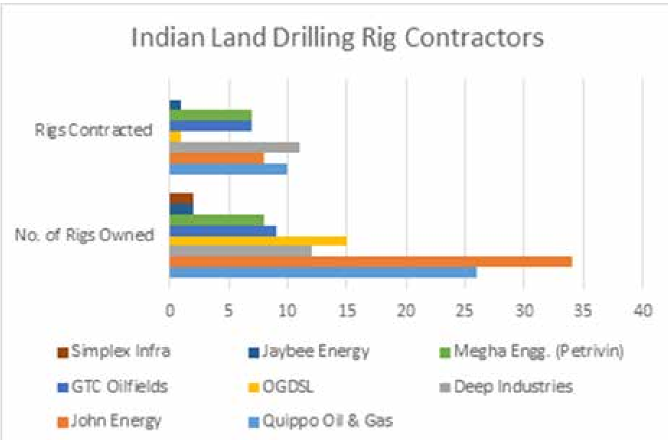


Region	Country	Drill For	Location	Year	Reference Month	Rig Count
Asia-Pacific	INDIA	Gas	Land	2020	Sep-20	7
Asia-Pacific	INDIA	Oil	Land	2020	Sep-20	57
Asia-Pacific	INDIA	Oil	Offshore	2020	Sep-20	9
Asia-Pacific	INDIA	Gas	Offshore	2020	Sep-20	4
Asia-Pacific	INDIA	Oil	Land	2020	Oct-20	57
Asia-Pacific	INDIA	Oil	Offshore	2020	Oct-20	8
Asia-Pacific	INDIA	Gas	Land	2020	Oct-20	7
Asia-Pacific	INDIA	Gas	Offshore	2020	Oct-20	5
Asia-Pacific	INDIA	Gas	Offshore	2020	Nov-20	6
Asia-Pacific	INDIA	Gas	Land	2020	Nov-20	8
Asia-Pacific	INDIA	Oil	Land	2020	Nov-20	57
Asia-Pacific	INDIA	Oil	Offshore	2020	Nov-20	7
Asia-Pacific	INDIA	Oil	Land	2020	Dec-20	57
Asia-Pacific	INDIA	Gas	Offshore	2020	Dec-20	5
Asia-Pacific	INDIA	Gas	Land	2020	Dec-20	8
Asia-Pacific	INDIA	Oil	Offshore	2020	Dec-20	11

Indian Onshore Drilling Rig Competitor Analysis

Major Indian onshore drilling contractors include John Energy (34 Land Rigs), Quippo Oil and Gas (26 Land Rigs), OGDSL (15 Land Rigs) & Petrivin (8 Land Rigs). There are smaller players like Deep Industries, Jaybee industries and Simplex Drilling.

Drilling Contractors	Quippo Oil & Gas	John Energy	Deep Industries	OGDSL	GTC Oilfields	Megha Engg. (Petrivin)	Jaybee Energy	Simplex Infra
No. of Rigs Owned	26	34	12	15	9	8	2	2
Rigs Contracted	10	8	11	1	7	7	1	0



Note:

1. Shiv-Vani Oil & Gas Ltd. (SVOGL) drilling rigs have not been considered as the Company is under liquidation process and its assets are being publicly auctioned for sale.
2. Quippo leased Shiv-Vani drilling rigs which are also been considered in the above table.
3. There are smaller players like GTC oilfield, Jaybee industries, Shivganga Drillers and Simplex Drilling.

Although the demand for onshore drilling rigs is quite good, India has a dearth of quality drilling contractors. This is primarily due to contractors struggling to maintain HSE and quality standards with the reduced cash flows.

New policies have been introduced and has been replaced by the previous one, new exploration licensing policy (NELP) has been replaced by Hydrocarbon Exploration Licensing Policy (HELP). Previously it was a profit sharing model in NELP, and the multiple licenses were required as compared HELP which is a revenue sharing model, and the single license is needed for all types of exploration. The new mineral blocks will be allocated under 'open acreage policy' where the companies can submit a bid for the areas of their choice. In NELP the pricing was decided by a price-setting committee but in HELP the companies can choose the pricing and supply the production at a competitive pricing. A stratified system has been introduced within which royalty decreases from shallow water to deep water and ultra-deep water. Onland royalty has been kept intact so that revenues of states are not impaired. Due to all these changes in policy, the licensing is very transparent.

Talking about the financial supports, Cess, and import duty exemptions have been retained from the NELP era, all the oil exploration, and drilling is exempted from Custom Duty. There are different schemes by the government such as project import scheme under which the project can be registered and after that imports for the projects can be at a concessional rate, Concessional customs duty tariff on import of certain goods for setting up a crude oil industry is also facilitated. Incentives for setting up units in Special Economic Zones (SEZs) and National Investment and Manufacturing Zones (NIMZs) are specified in respective acts.

To increase investment in exploration sector, No Basic Customs Duty & Countervailing Duty (CVD) on imports of goods required for exploration & production of hydrocarbon activities is also extended to operations undertaken to Exploration Licenses & Mining Leases issued or renewed before 1st April 1999.

As a result of new policy changes several non-hydrocarbon companies are lining up to compete with foreign firms for exploring new oil fields and retail them. However, recently the current government gave positive signals to some global oil companies, who have been evincing interest in doing business here. According to the government 93% of the fuel retail units belong to the public sector and the government needs to alter this to accentuate the competitiveness of the market so, that the customers can get the best rates. By increasing the number of private stake holders, the scenario will be favorable for the consumers, and the quality of market will be better.

The outlook for Indian economy for oil demand and prices are very volatile in recent times, and several structural changes took place. As per the demand is concerned, we can expect the market to grow at a rapid pace and more consumer friendly.

OGDSL Business Strategy & Initiatives

ONSHORE RIGS

Strategies

1. Undertaking IPM projects through joint venture/ consortium model with Oilfield Service companies for Blocks awarded through OALP, CBM, DSF & Shale Gas bidding rounds.
2. Acquisition of Brand new rigs or Leasing of rigs to meet higher requirement of Operators.
3. Targeting Marginal Field Operators for the blocks offered under DSF rounds.
4. To keep in constant touch with existing and previous clients and give them priority in business.
5. To re-define the benchmarks in the industry by operating the rigs with lowest cost of operations.
6. Focus on Middle East, Far East & African markets for deployment of rigs.

Initiatives

1. Held discussions with Antelopus Energy Private Limited,

Flow Fossil Fuel Consultancy Services, Hindustan Zinc Limited to Chalk out various methodologies for offering drilling rigs and ancillary services to them.

2. Discussions in progress with OEM's in China & USA for acquiring newly built but stacked rigs through long term finance, lease and buyback option.
3. Checking possible options/alternatives with various rig owners/suppliers for leasing the rigs.
4. Critically evaluating the scope of work for drilling and work-over jobs & offering the most suitable rig for cost optimization.
5. Introduction of SAP system resulting in better control on costs and expenses.

Submission of Pre-qualifying documents to middle eastern operators & partnering with local agents to receive tender/ RFQ documents.

SUBSIDIARIES & ASSOCIATES

Your Company has three direct subsidiaries and two step-down subsidiaries. OGD Services Holdings Limited, Mauritius, Energy II Limited, Bermuda and Essar Shipping DMCC are direct subsidiaries of the Company. OGD Services Limited , India and Starbit Oilfields Services India Limited, India, are step down subsidiary of the Company.

A report on the performance and financial position of each of the subsidiaries and associates companies as per the Companies Act, 2013 is provided as **Annexure G** to this report and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries as approved by the Board is available on Company's website www.essar.com.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and Indian Accounting Standard (IND-AS) - 110 on Consolidated Financial Statements read with IND-AS-28 on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report. The audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

HUMAN RESOURCE

Your Company believes that employee competence and motivation are necessary to achieve its business objectives. ESL has undertaken many training initiatives to enhance technical and managerial competence of the employees. ESL has taken a series of initiatives to enhance emotional and intellectual engagement of employees. During the year under review, COVID-19 has accelerated the adoption of fully digitized approaches to re-create the best of in-person learning and employee engagement.

1. Times of Essar : A monthly newsletter that not only gave business and workforce updates but also received contributions from ESL employees, hosted engagement activities ranged from fun quizzes around Independence Day, IPL, Holi, etc, to featuring each and every achievement of our employees. The medium is used to showcase the creative side of our employees and their families.
2. Essar Radio: Used as a key medium to communicate important updates about the different projects that were going on at different sites. Leaders from every location including founders took the opportunity to connect with employees, discussing the strategies about how they aim to overcome the pandemic without hampering or jeopardising anyone's health, shared their daily routine to motivate the employees to stay healthy and stress-free.

In addition to the above mentioned initiatives, engagement programs like Health webinars, Yoga classes, and online counselling programme were also conducted. This transformation made it possible to scale learning efforts in a more cost-effective way and permits greater engagement during the locked in scenarios. Hence, initiatives like these taken during the pandemic times helped employees and their families to stay motivated and healthy.

The Company has policies on conduct, sexual harassment of women at workplace, whistle blower, corporate governance, insider trading etc. guiding the human assets of the Company. For the year under review, there was no instance of the sexual harassment reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS

In the 10th Annual General Meeting, Capt. Rahul Bhargava retired by Rotation from the post of Whole time Director and Capt. Subimal Mahato was appointed as a Whole time Director. In the 10th Annual General meeting, appointment of Ms. Sunita Kotian, (DIN: 08699296) was regularized by the members of the Company and Mr. Rajesh Desai was appointed as Non-executive Director on the Board of the Company with effect from September 30, 2020.

During the year under review Mr. P.K. Srivastava, the Non-executive Director and Chairman of the Company ceased to be the Director and Chairman due to his suuden demise on November 8, 2020. Mr. Srivastava had served the Board of the Company for nearly a decade. The Board and management acknowledge the contribution of Mr. Srivastava in the sustenance and growth of the Company. His wide experience in the Capacity of Chairman and Managing Director of one of the Navratna Companies of Government of India and his first-hand experience of the industry gave a vision and direction for the growth curve of the company. Management appreciated his guidance on the most complex of issues faced at several occasions by the Company.

Further, Mr. Ramesh Krishnan (DIN: 08633771) non-executive Director had tendered his resignation from Board w.e.f. April 21, 2021 due to pre-occupation.

As per Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015, Board of top 2000 listed entities w.e.f. April 01, 2020 shall comprises of at least six Directors, as such, on March 31, 2021, there were six directors on the Board of Company with Independent Director as Chairman of the Board .

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 (b) (iv) of SEBI (LODR) Regulations, 2015.

Pursuant to Sections 134 and 178 of the Act and the Regulations 17 and 19 of the Listing Regulations, Nomination and Remuneration Committee ('NRC') has set the policy for performance evaluation of Independent Directors, Board, Committees and other individual directors; separate meeting of Independent Directors; familiarization programme for Independent Directors, etc. is provided under Corporate Governance Report annexed with this Report and the relevant policies are also available on the website of the Company www.essar.com.

Based on the criteria set by NRC, the Board has carried out the annual evaluation of its own performance, its committees and individual Directors for FY 2020-2021. The questionnaires on performance evaluation were prepared in line with the Guidance Note on Board Evaluation date January 5, 2017, issued by SEBI

The performance of the Board and Individual Directors were evaluated by the Board seeking inputs from all the Directors. The performance of the Committees were evaluated by the Board taking input from all the Committee members. NRC reviewed the performance of individual Directors, separate meetings of Independent Directors was also held to review the performance of Non-Independent Directors and performance of the Board as the whole. Thereafter, at the board meeting, performance of the Board, its committees and individual Directors was discussed and deliberated.

BOARD MEETINGS

During the year ended on March 31, 2021, Five (5) meetings of the Board were held June 29, 2020, September 03, 2020, November 12, 2020, January 18, 2021 & February 08, 2021.

COMMITTEES OF THE BOARD

Currently the Board has 5 Committees viz. the Audit Committee, the Nomination & Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee and the Corporate Social Responsibility Committee.

A detailed note on the composition of the Board and its Committees and other related particulars are provided in the Report of Directors on Corporate Governance forming part of this Annual Report.

CHANGES IN SHARE CAPITAL

There was no change in the Share Capital during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

(a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards had been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss of the Company for the year ended on that date;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis. The auditors have expressed an emphasis of matter on Going Concern in their Consolidated Audit Report relating to a stepdown subsidiary.

(e) the Directors, had laid down internal financial controls followed by the Company and that such internal financial controls are adequate and were operating effectively as endorsed by Statutory Auditor in their separate report annexed to the Annual Report

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK MANAGEMENT

Your Company has a Risk Management Policy that outlines the framework and procedures to assess and mitigate the impact of risks, and to update the Board and the senior management on a periodical basis on the risk assessed, actions taken for mitigation and efficacy of mitigation measures. With efficient Risk Management Framework, your Company is able to manage:

(a) Economic Risks by entering into long term contracts with reputed global majors in each of its divisions thereby ensuring long term profitability of the Company and assured cash flows;

(b) Interest Rate Risk by undertaking suitable hedging strategies to overcome any adverse interest rate risks. It has formulated internal target rates at which any open interest rate risk can be hedged;

(c) Control over the operational matrix of various vessels to reduce cost and reduce downtime of vessels; and

(d) Control over various OPEX cost of the organization.

As per LODR, Regulation 2015, Risk Management Committee is required to be constituted by top 1000 Companies based on market capitalisation, since your Company does not fall in that category, However, Company do believe and had put best efforts to minimise/mitigate the risk.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

Your Company has a well-established framework of internal operational and financial controls, including suitable monitoring procedures systems which are adequate for the nature of its business and the size of its operations. The detailed report is given in Corporate Governance Report. Based on the performance of the internal financial control, work performed by internal, statutory and external consultants and reviews of Management and the Audit Committee, the board is of the opinion that the Company's internal financial controls were effective and adequate during the FY 2020-2021 for ensuring the orderly efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records an timely preparations of reliable financial disclosures.

CORPORATE GOVERNANCE

The Company has complied with all mandatory provisions of SEBI (LODR) Regulations 2015, relating to Corporate Governance. A separate report on Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 forms part of this Report. The requisite certificate from the Auditors of the Company regarding compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

VIGIL MECHANISM

The Company is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 and Regulation 22 of the Listing Regulations established Vigil Mechanism by adopting the 'Whistle Blower Policy', for Directors and Employees. The Whistle Blower Policy provides for adequate safeguards against victimization of persons who use such mechanism and have provision for direct access to the Chairperson of the Audit Committee in appropriate cases. A copy of the Whistle Blower Policy is available on the website of the Company www.essar.com.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprises Captain B. S. Kumar – Chairman; Mr. Rajesh Desai; and Mr. Subimal Mahato as Member of said Committee.

Since the Company has incurred losses in proceeding three financial years, it was not required to spend on CSR Activities Further, in terms of provisions of Section 135 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 CSR Report is annexed to this Report as **Annexure-A**

EMPLOYEE STOCK OPTION SCHEME

The Company has implemented the "Essar Shipping Employees Stock Option Scheme-2011" ("Scheme") in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines"). The Nomination and Remuneration Committee of the Board of Directors of the Company administers and monitors the Scheme. The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2021 are provided in the **Annexure - B** to this Report.

The term of scheme of Employee Stock Option was for a period of seven years which got completed in the year 2018. As the objective of the trust is attained, process to settle the ESOS trust has been initiated.

AUDITORS

M/s. C N K & Associates LLP, Chartered Accountants – Statutory Auditors (Registration No. 101961 W/W - 100036) were re-appointed at 10^{th} AGM of the Company held on September 30, 2020 to hold the office up to the conclusion of 15^{th} AGM of the Company to be held on year 2025.

AUDITORS' REPORT:

Further with regard to the observations made in Annexure A to the Auditors' Report, the management explanation is as under:

1. Defaults in repayment of Loans and dues to Banks/ FIs and Debentureholders

   The company is at an advanced stage of negotiations with its lenders to repay the debts through monetisation of its assets.

2. Delays in depositing Professional Tax and Provident Fund

   The delays have since been rectified

3. Unsecured Loan to a step-down subsidiary, repayable on demand. Year- end balance Rs. 6.00 Crores

   The company had extended a corporate guarantee in favour of Corporate Lender of one of the step down subsidiary. As the subsidiary could not pay its dues to this lender, the lender initiated the CIRP proceedings against the company in January 20, 2020. The Company was admitted to the CIRP in March 2021. Subsequently, the subsidiary entered into a settlement agreement with the lender with certain upfront payment commitments. The company extended short-term loan to the subsidiary to enable them to honour their agreement with the lender. The Company came out of CIRP on March 31, 2021.

4. Disputed dues w.r.t. Income tax, excise & Customs and GST

   All these demands are under dispute and pending at the tribunal / courts.

INTERNAL AUDITOR AND THEIR REPORT

The Board appointed in-house professional as Internal Auditors to conduct Internal Audit for the FY 2020-21. During the year under review Internal Auditor has submitted their Report for various quarters/period to the Audit Committee for its review and necessary action.

SECRETARIAL AUDIT

The Board has appointed M/s. Martinho Ferrao & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2020-2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as **Annexure - C** to this Report.

SECRETARIAL STANDARDS OF ICSI

The Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

SECRETARIAL AUDITORS' REPORT:

Further with regard to the observations made in Secretarial Auditors' Report, the management explanation is as under:

The minimum number of Directors as per the requirements of SEBI Listing Obligations and Disclosure Requirements, 2015 applicable on the company is 6. Due to resignation of Mr. Ramesh Krishnan on May 21, 2020 the minimum number fell down to 5 till September 30, 2020 which was made good by the appointment of Mr. Rajesh Desai in the Annual General Meeting of the members of the company held on September 30, 2020. Further due to sudden demise of the Non-executive Director and Chairman of the Company Mr. P. K. Srivastava on November 8, 2020, the number of members on Board came down to 5 again. Amid pandemic it took management longer time to fill the casual vacancy so created. However, as on March 31, 2021 the requirement was complied with.

APPOINTMENT AND REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors on recommendation of the Nomination & Remuneration Committee has adopted a policy for appointment of Directors, remuneration of Directors, Key Managerial Personnel and other employees. The brief details on the above are provided in Corporate Governance Report and the policy is available on the website of the Company www.essar.com. The details of remuneration as required to be disclosed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure - D** to this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules together with disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the **Annexure - E** to this Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website www.essar.com. The information on each of the transactions with the related party as per the Companies Act, 2013 is provided in note 28 of notes forming part of the financial statement and hence not repeated. The disclosure required pursuant to clause (h) of sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed herewith as **Annexure - F** to this Report.

WEBLINK OF ANNUAL RETURN

The Company is having website and annual return has been published on website. Web link of Company website is www.essar.com

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The Hon'bl National Company Law Tribunal (NCLT), Ahmedabad Bench through order dated March 02, 2021 admitted the Company in Corporate Insolvency Resolution Process (CIRP) under Section 7 of Insolvency & Bankruptcy Code, 2016 on application of a Financial Creditor of its step-down subsidiary. The company has extended a corporate

Guarantee in favour of this financial creditor. The Ahmedabad Bench of NCLT vide order dated March 31, 2021 set aside the CIRP of the Company on account of settlement arrived at between the Financial Creditor and the subsidiary of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Conservation of energy and Technology absorption

Your Company is committed for continual environmental improvement. The Company has taken several initiatives towards conservation of energy. The Company initiated the process of monitoring carbon emissions as per IMO GHG Guidelines and also explored opportunities to improve energy efficiency onboard the ships. Due to the nature of the business (transportation), fuel and lubricants are necessary to deliver the services.

Following are few steps taken towards conservation of energy and use of alternate source of energy:

Ship Energy Efficient Management Plan (SEEMP): In line with current guidelines that have been established by IMO, this plan has been implemented all across fleet vessels. The capturing and monitoring of the data on regular basis prompts to take appropriate corrective measures on a timely basis. Onboard performance monitoring systems will give a holistic approach to ship operations with the aim of reducing fuel consumption and emissions while achieving optimum vessel performance. The Company have already completed energy efficiency evaluation on our assets and are now in the process of implementing fuel efficiency measures. These include trim, speed reduction and weather routing. These fuel efficiency measures will not only reduce energy consumption but also benefit customers through lower fuel cost, where applicable.

Alternate source of energy: In order to reduce fuel consumption, the Company's vessels utilize shore power during repair lay-up period and thereby reduce carbon foot print. Periodical cleaning of ship's hull and propellers apart from routine dry-docking of floating assets is another step which has been taken towards conservation of energy with insignificant investment or expenses.

Technology Absorption

The Company has successfully implemented SAP in its financial and budget management systems. The Company has also now implemented various methods of automation so as to have greater visibility and control over its assets and further improve the turnaround time thereby increasing asset utilisation and profitability. Planned maintenance and purchase management system of all the vessels are now being integrated with SAP in order to have uniform platform. The Company has implemented a robust Document Management System thus improving the availability of critical information in e-mode thereby reducing the use of paper. Ship-staff payroll system has been developed and implemented successfully.

In-house developed software EIS system has now been upgraded to monitor all the above energy conservation measures and is now available online. Various energy and cargo related data are available in e-mode and helps in close monitoring and control of energy conservation related matters. Due to in-house developed software, your Company has not only saved on investment towards purchase of third party software but also reduced dependency on third party service provide.

The Company is upgrading its ships to meet future requirements of IMO 2021 towards compliance of burning of 0.5% of sulphur, this upgrade will not only aid to compliance but will also add to revenue of your Company.

Foreign Exchange Earnings and Outgo

The details of Foreign Exchange Earnings and Outgo during the year are as follows:

Foreign Exchanged Earned (including loan receipts, sale of ships, freight, charter hire earnings, interest income, etc.): Rs. 90.94 crores

Foreign Exchanged Used (including cost of acquisition of ships, loan repayments, interest, operating expenses, etc.): Rs. 119.77 crores

PUBLIC DEPOSITS

Your Company has not accepted any public deposits under Section 73 of the Companies Act, 2013, during the Financial Year under report.

APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors express their appreciation of commendable teamwork of all employees. Your Directors express their thanks to all the offices of the Ministry of Shipping, Directorate General of Shipping, Ministry of Petroleum and Natural Gas, Indian Navy, Indian Coast Guard, Mercantile Marine Department, State Government and Central

Government, Classification societies, Oil Companies and Charterers, creditors, Banks and Financial Institutions for the valuable support, help and co-operation extended by them to the Company.

Your Directors also thanks its other business associates, including the Members of the Company for their continued co-operation and support extended towards the Company.

For and on behalf of the Board

N. S. Srinivasan
Chairman
DIN: 00004195

Place: Mumbai
Date: August 31, 2021

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: Please refer relevant para in the main Report.
2. The Composition of the CSR Committee.

   The Corporate Social Responsibility Committee comprises Captain B. S. Kumar – Chairman; Capt. Subimal Mahato - Member; and Mr. Rajesh Desai– Member.
3. Average net profit of the Company for last three financial years : Net loss
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) : Nil
5. Details of CSR spent during the financial year:
   (a) Total amount to be spent for the financial year : Nil
   (b) Amount unspent, if any : N.A.
   (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR project or activity identified	Sector In which the Project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) Project or Programs wise	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
---------Not Applicable---------							

   *Give details of Implementing Agency, if any.

6. Reasons for not spending the amount: Not Applicable
7. The Corporate Social Responsibility Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Ranjit Singh

Place: Mumbai
Date: August 31, 2021

Captain B. S. Kumar

Chairman CSR Committee
(DIN: 00284649)

ANNEXURE - B

DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME OF THE COMPANY

Sr. No.	Particulars	Information
(a)	Options Granted	40,68,819
(b)	Exercise price	Rs. 22.30
(c)	Options vested	NIL
(d)	Options exercised	NIL
(e)	The total number of shares arising as a result of exercise of option	Not applicable
(f)	Options lapsed	NIL
(g)	Variation of Terms of Options	NIL
(h)	Money realized by Exercise of Options	Not applicable
(i)	Total number of Options in Force	1,93,135
(j)	Employee wise details of Options granted	(i) Senior managerial personnel: Mr. Rajeev Nayyer – 1,03,187 Mr. Ranjit Singh – 89,948 (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year: NIL (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: NIL
(k)	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning per share"	Anti - Dilutive.
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The company accounted employee compensation cost using the intrinsic value of the stock options. The impact as required has been appropriately disclosed in note 34 of the financial statement.
(m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not applicable
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The same has been appropriately disclosed in note 34 of the financial statement.
	(i) Risk-free interest rate	8.36
	(ii) Expected life	58
	(iii) Expected volatility	44.5% - 58.60%
	(iv) Expected dividends and	Nil
	(v) The price of the underlying share in market at the time of option grant	Rs.22.30

For and on behalf of the Board

Sd/-
Ranjit Singh
President & CEO
Mumbai, August 31, 2021

Sd/-
N. S. Srinivasan
Chairman
DIN: 00004195

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

ESSAR SHIPPING LIMITED

EBTSL Premises, ER-2 Building

(Admn. Building) Salaya 44 KM,

P.B. No 7 Taluka, Devbhumi Dwarka,

Khambhalia Jamnagar,

Gujarat 361305

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Essar Shipping Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted online verification and examination of records of the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation in Maharashtra for the purpose of issuing this report. No physical verification of any document / record was possible. Based on our examination as aforesaid and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The Audit has been conducted for the financial year ended on 31st March, 2021 in accordance with the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

(b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993: **Not applicable as the Company is not registered as a Registrar to an issue and Share Transfer Agent.**

(h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review** and

(i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not applicable as the Company has not bought back any of its securities during the financial year under review.**

We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the representations made by the head of the respective departments in addition to the checks carried out by us:

a. Merchant Shipping Act, 1958.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

Based on our verification and also the information provided by the Company, its officers, agents and its authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI LODR. *Except that the Company had five directors from 21st May 2020 to 30th September 2020 due to resignation of Mr. Ramesh Krishnan and from 08th November 2020 to 08th February 2021 due to demise of Mr. Prabhat Srivastava. The management explained that there was a reasonable delay in compliance because of restrictions /lockdown due to Coivd-19 pandemic. The Company has proper Board composition as at year ended 31st March 2021.*

Adequate notice is given to all Directors for the Board Meetings. Agenda and detailed notes on agenda were, in most cases, sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Consent of the Board of Directors was obtained in cases where Meetings were scheduled by giving notice or agenda papers less than seven days.

All decisions are carried through with requisite majority. There were no dissenting views from the Board members during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that; during the period under review:

1. Mr. Ramesh Krishnan (DIN: 08633771), Non-Executive Director resigned from the Board of the Company with effect from 21st May 2020
2. Mr. Prabhat Kumar Srivastava (DIN: 00843258), the Chairman and Director of the Company passed away on 08th November 2020
3. Mr. Rahul Bhargava (DIN: 07618915) retired as the Whole Time Director from the Board of the Company with effect from 30th September 2020
4. Ms. Sunita Kotian (DIN: 08699296) was appointed as Additional Director w.e.f 12th February 2020 and her appointment was regularized by the shareholders in the 10th Annual General Meeting held on 30th September 2020. The Shareholders in the same meeting also approved appointment of Capt. Subimal Mahato (DIN: 08867107) as Whole Time Director on the Board of the Company who is also a key managerial personnel under the Companies Act, 2013, for a period of 3 years with effect from 30th September 2020 to 30th September 2020 (both days inclusive). Mr. Rajesh Desai (DIN: 08848625) was appointed as Non-Executive Director on the Board of the Company with effect from 30th September 2020 by the shareholders in the same annual general meeting
5. Mr. Sumit Agarwal (DIN: 09058412) was appointed as an Additional Director with effect from 08th February 2021.
6. M/s CNK & Associates LLP, Chartered Accountants were re-appointed as Statutory Auditors of the Company for second term to hold office from conclusion of 10th Annual General Meeting till the conclusion of 15th Annual General Meeting of the Company.
7. The Hon'bl National Company Law Tribunal (NCLT), Ahmedabad Bench through order dated 02nd March 2021 admitted the Company in Corporate Insolvency Resolution Process (CIRP) under section 7 of Insolvency & Bankruptcy Code, 2016 on application of the Financial Creditor L&T Finance Ltd. The Ahmedabad Bench of NCLT vide order dated 31st March 2021 set aside the CIRP of the Company for on account of settlement arrived at between the Financial Creditor and the Company.

For **Martinho Ferrao & Associates**

Company Secretaries

Martinho Ferrao

Proprietor

FCS No. 6221

C P. No. 5676

UDIN: F006221C000860338

Place: Mumbai

Date: 31.08.2021

This report is to be read with our letter which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,

The Members,

ESSAR SHIPPING LIMITED

EBTSL Premises, ER-2 Building

P.B. No 7 Taluka, Devbhumi Dwarka,

Khambhalia Jamnagar,

Gujarat 361305

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. The minutes, documents, records and other information checked for the purpose of audit were received from the Company in soft copy and through electronic mail due to the statewide lockdown caused pursuant to the outbreak of Covid-19 (Coronavirus).
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Martinho Ferrao & Associates**

Company Secretaries

Martinho Ferrao

Proprietor

FCS No. 6221

C P. No. 5676

UDIN: F006221C000860338

Place: Mumbai

Date: 31.08.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

ESSAR SHIPPING LIMITED
EBTSL Premises, ER-2 Building
(Admn Building) Salaya 44 KM,
P.B. No 7 Taluka, Devbhumi Dwarka,
Khambhalia Jamnagar,
Gujarat 361305

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Essar Shipping Limited** having CIN L61200GJ2010PLC060285 and having registered office at EBTSL Premises, ER-2 Building (Admn Building) Salaya 44 KM, P.B. No 7 Taluka, Devbhumi Dwarka, Khambhalia Jamnagar, Gujarat 361305 (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. No physical verification of any document / record was possible due to the current nationwide lockdown owing to the outbreak of COVID-19 pandemic.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1.	Srinivasan Natesan	Chairman, Independent Director	00004195	23/05/2011
2.	Bhupinder Singh Kumar	Independent Director	00284649	07/08/2013
3.	Sunita Anil Kotian	Non-Executive Director	08699296	12/02/2020
4.	Rajesh Dhirubhai Desai	Non-Executive Director	08848625	30/09/2020
5.	Subimal Mahato	Whole Time Director	08867107	30/09/2020
6.	Sumit Agarwal	Non-Executive Director	09058412	08/02/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Martinho Ferrao & Associates
Company Secretaries
Martinho Ferrao
Proprietor
F.C.S. No. 6221
C.P. No. 5676
UDIN: F006221C000725885

Place: Mumbai
Date: 02nd August 2021

ANNEXURE – D

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5 (1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021 and percentage increase in the remuneration of each Director and Key Managerial Personnel (KMP) during the financial year 2020-2021 are as follows:

Sr. No.	Name of Director /KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in remuneration
1.	Lt. Mr. P. K. Srivastava*	Ex- Director & Chairman	N.A.	N.A.
2.	Mr. N. Srinivasan*	Independent Director & Chairman	N.A.	N.A.
3.	Capt. B. S. Kumar*	Independent Director	N.A.	N.A.
4.	Mr. Ranjit Singh	Chief Executive Officer	8.46:1	87.93
5.	Capt. Rahul Bhargava**	Ex-Whole-time Director	4.81:1	3.33
6.	Capt. Subimal Mahato**	Whole-time Director	3.42:1	NA
7.	Mrs. Sunita Kotian*	Non-Executive Director	N.A.	N.A.
8.	Mr. Rajesh Desai*	Non-Executive Director	N.A.	N.A.
9.	Mr. Ramesh Krishnan*	Non-Executive Director	N.A.	N.A.
10.	Mr. Sumit Agarwal*	Non-Executive Director	N.A.	N.A.
11.	Mr. Ketan Shah	Chief Financial Officer	6.75:1	67.31
12.	Mrs. Jyotsna Gupta	Ex-Company Secretary	2.25:1	107.14

Note: Considering the pattern of employment in the shipping business, the remuneration paid to members of the shipping staff who have worked on board the Company's ships for only a short period during the year has not been considered for the purpose of calculating the median remuneration

The Company had 35 employees excluding the offshore employees on the rolls of the company as on March31, 2021.

*During the year no remuneration was paid to Lt. Mr. P.K. Srivastava, Mr. N Srinivasan, Capt. B. S. Kumar, Mrs. Sunita Kotian, Mr. Rajesh Desai, Mr. Ramesh Krishnan and Mr. Sumit Agarwal being non-executive directors. The details of sitting fees paid to them are covered in the Corporate Governance Report and are not being repeated here for the sake of brevity. Mr. P.K. Srivastava ceased to be the Director & Chairman of the company due to his sudden demise on November 8, 2020.

**Captain Rahul Bhargava ceased to be an Executive Director in the AGM held on September 30, 2020 and the vacancy was filled by Captain Subimal Mahato at the same meeting. As such, their remuneration is considered proportionately.

For and on behalf of the Board

Sd/-
Ranjit Singh
President & CEO
Mumbai, August 31, 2021

Sd/-
N. S. Srinivasan
Chairman
DIN: 00004195

ANNEXURE – E

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (Years)	Gross Remuneration	Previous Employment
Mr. Ranjit Singh	60	Class I (Motor)	President & CEO	02-May-08	38	1,08,72,257.00	Qatar Shipping Co.
Mr. Ketan Shah	51	ICWA	Chief Financial Officer	01-Feb-19	31	86,79,996.00	Essar Steel Limited
Capt. Rahul Bhargava	60	Master Mariner	Chief operating Officer	11-Sep-12	41	61,57,904.00	JSW Steel Limited
Capt. Sandeep Phadke	50	Master FG,; BSc Nautical Science	General Manager	01-Aug-07	29	44,34,787.68	Tolani Shipping Limited
Capt. Subimal Mahato	51	MICS	Whole-time Director	03-Nov-17	31	44,34,786.72	India Steamship
Mr. Vipin Jain	42	Chartered Account	Joint General Manager	26-Oct-10	14	35,37,576.00	Abbott India Limited
Mr. Umesh Shimpi	51	B. Com	Joint General Manager	01-Aug-00	29	34,19,868.00	Peninsular
Capt. Alok Ranjan	37	Master Mariner	Dy.General Manger, QHSE	23-Apr-18	13	31,88,008.48	Bergebulk Maritime, Singapore
Jyotsna Gupta	40	M.COM, CS	Company Secretary & Legal	25-Jun-19	12	29,02,492.96	Vijeta Sharma & Associates
Sumit Chandwani	40	BE	Dy.General Manager	02-Dec-19	4	28,05,000.00	APEEJAY SHIPPING

1. No employee of the Company holds by himself/ herself or along with his/ her spouse and dependent children, not less than two percent of the equity shares of the Company.
2. No employee of the Company is a relative of any Director or Manager of the Company.

For and on behalf of the Board

Sd/-
Ranjit Singh
President & CEO
Mumbai, August 31, 2021

Sd/-
N. S. Srinivasan
Chairman
DIN: 00004195

Annexure – F

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contacts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contacts or arrangements or transactions not at arm's length basis:

Sr no.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient features of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required undue first provision to section 188
NIL								

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. In crore)	Date(s) of approval by the Board, if any	Amount paid as advances, if any (Rs. In crore)
1.	Essar Shipping (Cyprus) Limited	Fellow Subsidiary	Supervision & Management Fees	Contract valid till terminated	12.14	Nil	Nil
2.	Essar Power (Orissa) Limited	Fellow Subsidiary	Supervision & Management Fees	Contract for 12 months	0.08	Nil	Nil
3.	AGC Networks Limited	Fellow Subsidiary	Repairs & Maintenance Fees	Contract for 12 months	0.75	Nil	Nil
4.	Arkay Logistics Limited	Associate	Logistics & Agency Services	Contract for 12 months	0.03	Nil	Nil
5.	Essar Bulk Terminal Limited	Fellow Subsidiary	Port Charges & Agency Services	Contract for 12 months	0.78	Nil	Nil

For and on behalf of the Board

Sd/-
Ranjit Singh
President & CEO
Mumbai, August 31, 2021

Sd/-
N. S. Srinivasan
Chairman
DIN: 00004195

ANNEXURE G

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to subsidiary companies for the year ended 31 March 2021 are as follows:

(Rupees in crores except currency rates)

Particulars	Energy II Limited, Bermuda	Essar Shipping DMCC, Dubai	OGD Services Holdings Limited, Mauritius	OGD Services Limited India	Starbit Oilfield Services India Limited, India
Reporting period for the subsidiary	**31 March, 2021**	**31 March, 2021**	**31 March, 2021**	**31 March, 2021**	**31 March, 2021**
Reporting currency	**USD ($)**	**USD ($)**	**USD ($)**	**INR (Rs.)**	**INR (Rs.)**
Exchange rate as on the last date of the financial period	73.5047	73.5047	73.5047	1.0000	1.0000
*** All figures are in Rs. Crore**					
Share capital (including share application money pending allottment)	392.64	274.49	3,335.88	2,075.02	0.05
Reserves & surplus	60.29	(90.02)	(4,192.16)	(3,048.10)	(12.34)
Total liabilities	0.27	68.82	1,020.23	1,134.79	17.20
Total assets	453.20	253.30	163.95	161.71	4.91
Turnover	-	211.78	28.06	93.39	0.01
Profit / (loss) before taxation	(0.54)	(112.02)	(49.91)	(153.12)	(1.36)
Provision for taxation	-	-	-	-	-
Profit / (loss) after taxation	(0.54)	(112.02)	(49.91)	(153.12)	(1.36)
% of shareholding	73.08%	100.00%	100.00%	74.15%	100.00%

For and on behalf of the Board

Sd/-
Ranjit Singh
President & CEO
Mumbai, August 31, 2021

Sd/-
N. S. Srinivasan
Chairman
DIN: 00004195

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020 -2021

1. **STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

   Your Company believes that Corporate Governance is critical to sustaining corporate development, increasing productivity and competitiveness. The governance process should ensure that available resources are utilized in a manner that meets the aspirations of all its stakeholders. Your Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

   The Company ensures to comply with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations').

2. **BOARD OF DIRECTORS**

   Composition:

   The Board has a Non-Executive Chairman who is not related to promoter or person occupying management position at the level of Board of Directors or at one level below the Board of Directors of the Company and the numbers of independent directors are one-third of the total number of directors. None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees (as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), across all the companies in which he is a Director.

   Further, in terms of Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015, Board of top 2000 listed entities w.e.f. April 01, 2020 shall comprises of at least six Directors. During the year the Company had five directors from May 21, 2020 to September 30, 2020 due to resignation of Mr. Ramesh Krishnan and from November 08, 2020 to February 08, 2021 due to demise of Mr. Prabhat Kumar Srivastava. Due to COVID-19 pandemic and lockdown being imposed across the Country, Company was encountering challenges and as such there was delay in identifying the suitable candidate However, as on March 31, 2021 there were 6 directors on the Board of the Company In compliance with the Regulation 17. Mr. Natesan Srinivasan, the Non-executive, Independent Director was appointed as the Chairman of the Board during the meeting of Board of Directors held on February 8, 2021

   Attendance at Meetings:

   During the financial year ended March 31, 2021 under review, the Board of Directors met 5 times, that is on June 29, 2020, September 03, 2020, November 12, 2020, January 18, 2021 & February 08, 2021. The gap between two meetings during the year did not exceed one twenty days. Due to the outbreak of COVID-19, all the meetings were held through Video Conferencing and the required guidelines with respect to Video conferencing meeting was adhered by the Company.

   The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting held on September 30, 2020, and also the number of Committee Memberships held by them in other public companies including the names of listed companies where the person is director and the category of directorship are given below:

Name of the Director	Category	No. of Board Meetings attended during the year ended March 31, 2021	Whether attended AGM held on September 30, 2020	Names of Listed companies where the person is director and the category of directorship as on March 31, 2021	No. of Committee positions held in other public Listed companies incorporated in India as on March 31, 2021		No. of Ordinary Shares held as on 31.03.2021
					Chairman	Member	
Mr. Prabhat Kumar Srivastava	Non-Promoter Non-Executive	2	Yes	Nil	0	0	None
Mr. Natesan Srinivasan	Independent Non-Executive	5	Yes	Nil	0	0	None
Cap. Bhupinder Singh Kumar	Independent Non-Executive	5	Yes	Nil	0	0	None
Capt. Rahul Bhargava	Non-Promoter Executive	2	Yes	Nil	0	0	None

Mr. Ramesh Krishnan	Non–Promoter Non-Executive	0	NA	Nil	0	0	None
Ms. Sunita Kotian	Non–Promoter Non-Executive	4	Yes	Nil	0	0	None
Mr. Rajesh Desai	Non–Promoter Non-Executive	3	Yes	Nil	0	0	None
Capt Subimal Mahato	Non-Promoter Executive	3	Yes	Nil	0	0	None
Mr. Sumit Agarwal	Non-Promoter Non-Executive	1	Not Applicable	Nil	0	0	None

Notes:

1. The Committees considered for the purpose of calculation of membership and/or chairmanship as discussed above are those as specified in the Listing Regulations i.e. Audit Committee and Stakeholder Relationship Committee and our Company is not considered in the said calculation.
2. Mr. Ramesh Krishnan resigned from the Board w.e.f. May 22, 2020;
3. Capt Rahul Bhargava ceases to be a Whole time director of the Company w.e.f. September 30, 2020 as he retires by rotation
4. Capt Subimal Mahato was appointed as Whole time director in the Annual General meeting held on September 30, 2020
5. Ms. Sunita Kotian was appointed as Additional Director on February 12, 2020 and later her appointment was regularized by the members of the Company in the Annual General meeting held on September 30, 2020
6. Mr. Rajesh Desai was appointed as Non- executive Director on the Board of the Company w.e.f. September 30, 2020
7. Mr. Prabhat Kumar Srivastava, Non- executive Director and Chairman of the Company ceased to be on the Board w.e.f November 08, 2020 due to his sudden demise.
8. Mr. Natesan Srinivasan was appointed as Chairperson of the Board w.e.f February 08, 2021
9. Mr. Sumit Agarwal was appointed as Additional Non-executive Director on February 08, 2021. However, he has tendered his resignation with effect from August 06, 2021 due to personal occupancy.

Other Provisions: Disclosure of relationships between directors inter-se

The Company confirms that it did not have any material pecuniary relationship or transaction with any Non-Executive Director during the year ended March 31, 2021, except for the payment of Sitting Fees for attending the Board and/or the Committee meetings.

The information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available to the Board. The Audit Committee of the Board of Directors periodically reviews the compliance report submitted by the Chief Executive Officer regarding compliance with the various laws applicable to the Company. The Company has a succession plan in place for appointment to the board of directors and senior management.

Code of Conduct

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The said code of conduct has been posted on the website of the Company. Further, all the Board Members and Senior Management personnel have affirmed compliance with the said code of conduct for the year ended March 31, 2021. Necessary declaration to this effect signed by the Mr. Ranjit Singh, CEO forms a part of the Annual Report of the Company for the year ended March 31, 2021.

Familiarization programs for Independent Directors

The Company has a policy to keep the Independent Directors informed and updated about the business and operations of the Company as well as industries in which the Company operates, on a continuous basis. In addition to formal familiarization programs, the interactions between various functional heads and the Independent Directors are generally facilitated on regular basis after the meetings of the Board and the Committees.

A chart or a matrix setting out the skills/expertise/ competence of the Board of Directors:

Sr. No.	Name of Director	Skills/Expertise/ Competencies
1.	Mr. Prabhat Kumar Srivastava	Expertise in Shipping Operation
2.	Mr. Natesan Srinivasan	Finance & Accounts

3.	Cap. Bhupinder Singh Kumar	Expertise in Shipping Operation
4.	Captain Rahul Bhargava	General Operation & Expertise in Shipping Operation
5.	Mr. Ramesh Krishnan	Finance & Strategy
6.	Ms. Sunita Kotian	Fleet Operations
7.	Captain Subimal Mahato	Chartering and Shipping operations
8.	Mr. Rajesh Desai	Finance & Accounts
9.	Mr. Sumit Agarwal	Finance & Strategy

3. AUDIT COMMITTEE

The Composition of the Audit Committee as on March 31, 2021 is as follows:

S. No.	Particular	Designation
1.	Mr. Natesan Srinivasan	Chairman
2.	Captain Bhupinder Singh Kumar	Member
3.	Captain Subimal Mahato	Member

Statutory auditors, internal auditors and CFO attend the meetings of the Committee at the invitation of the Chairman. The Company Secretary acts as the Secretary of the Committee. All the members are financially literate and possess necessary expertise in finance or accounting or any other comparable experience or background.

The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as regards composition of Audit Committee.

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub - section 3 of section 134 of Companies Act, 2013.
   - Changes, if any, in accounting policies and practices and reasons for the same.
   - Major accounting entries involving estimates based on the exercise of judgment by Management.
   - Significant adjustments made in the financial statements arising out of audit findings.
   - Compliance with listing and other legal requirements relating to financial statements.
   - Disclosure of any related party transactions.
   - Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investment;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post – audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has also been granted powers as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

During the year under review, Audit Committee met 4 times on June 29, 2020, September 03, 2020, November 12, 20020 & February 08, 2021 with a gap of not more than four months. All the Audit committee meetings were held through video conferencing due to pandemic COVID-19. All the requirements with respect to Video conferencing meeting was adhered to during the Audit Committee meeting. The details of the meetings attended by the Directors are given below:

Composition	Meeting Dates and Attendance			
	June 29, 2020	September 03, 2020	November 12, 2020	February 08, 2021
Mr. Natesan Srinivasan – Chairman	Yes	Yes	Yes	Yes
Captain Bhupinder Singh Kumar – Member	Yes	Yes	Yes	Yes
Captain Rahul Bhargava – Member	Yes	Yes	NA	NA
Captain Subimal Mahato-Member	NA	NA	Yes	Yes

Note:

1. Owing to cessation as Director on account of retirement by rotation, Captain Rahul Bhargava ceases to Member of Audit Committee w.e.f. September 30, 2020;
2. Board unanimously elected Captain Subimal Mahato as Member of Audit Committee w.e.f. November 12, 2020

VIGIL MECHANISM

With a view to provide for adequate safeguards against victimization of persons, the Company has established vigil mechanism (Whistle Blowing).

It is the policy of the Company to provide adequate safeguards against victimisation of employees and not to allow retaliation against the employee who makes a good faith report about possible violation of Company's Code of Conduct. Suspected violation of this Code, evidence of illegal or unethical behaviour may be reported to the President & CEO on designated email id. All reported violations are appropriately investigated.

Employees are expected to fully cooperate in internal investigations of misconduct. Their identity shall be kept strictly confidential by the Company. In exceptional cases, employees can have direct access to Mr. Natesan Srinivasan, Chairman of the Audit Committee on the designated email id for the purpose of bringing to the attention of the Audit Committee any issues, questions, concerns or complaints they may have regarding accounting, internal accounting controls, auditing matters or other genuine concerns.

Essar at group level has implemented a whistle blower mechanism where an Independent third party hotline has been authorized through KPMG Advisory Services Private Limited for reporting of protected disclosure through various channel. The service was also been extended to the vendors and customers of the Company other than employees to ensure the fairness and transparency in the corporate affairs of the Company.

However it may please be noted that the whistle blower policy previously adopted by the Company and hosted on the website remains unaltered. The hotline contact details has been suitable hosted on the Company website.

Details of the above mechanism are posted on Company's website https://www.essar.com/

4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee includes inter-alia to formulate evaluation criteria and recommend to the Board from time to time on matters such as candidates for induction on the Board, compensation structure for Managing Director/ Chief Executive Officer, Whole-time Director and Key Managerial Personnel and other Senior Executives and to administer and supervise the Employee Stock Option Scheme of the Company.

The detail of the composition and meetings of the Nomination and Remuneration Committee for the year ended March 31, 2021 are as follow:

Composition	Meeting Dates and Attendance		
	June 29, 2020	September 03, 2020	February 08, 2021
Mr. Natesan Srinivasan – Chairman	Yes	Yes	Yes
Captain Bhupinder Singh Kumar – Member	Yes	Yes	Yes
Captain Rahul Bhargava – Member	Yes	Yes	NA
Captain Subimal Mahato- Member	NA	NA	Yes

Note:

1. Due to sudden demise of Mr. Prabhat Kumar Srivastava, Ms. Sunita Kotian became member of the Committee w.e.f. February 08, 2021
2. Captian Bhupinder Singh Kumar became Chairman of the Nomination and Remuneration committee w.e.f. February 08 2021.

Remuneration Policy

The Nomination and Remuneration Committee of the Board is constituted in compliance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee is fully empowered to frame compensation structure for Directors and its review from time to time.

Remuneration to Directors is paid as determined by the Board on recommendation of the Nomination and Remuneration Committee and subject to such approval of Shareholders as may be required in accordance with applicable provisions of the Companies Act, 2013 relating to managerial remuneration. The Company only pays sitting fees to Independent Directors and Non-Executive Directors for attending meetings of the Board and Committees.

Acceptance of recommendations of committee by Board:

There were no instances where the Board of Directors had not accepted any recommendation of any committee of the board which is mandatorily required, in the financial year 2020-2021.

Performance Evaluation of Board and Directors

In line with the Corporate Governance Guidelines of your Company, annual performance evaluation was conducted for all Board Members, for Individual Director including Independent Directors, its Committees and Chairman of the Board. This evaluation was led by the Board as a whole on the basis of the parameters provided in the evaluation framework. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations. The Board evaluation was conducted through qualitative parameters and feedback based on ratings.

In view of the above the Company conducted a formal Board Effectiveness Review as a part of its efforts to evaluate, identify improvements and thus enhance the effectiveness of the Board of Directors (Board), its Committees and individual directors.

Criteria for evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, during the year under review, the Board carried out the annual evaluation of its own performance. A structured questionnaire covering various aspects of functioning of the Board, Committees and Directors such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance was distributed to each member of the Board and inputs were received. The Directors expressed their satisfaction with the evaluation process.

5. **Details of Remuneration to Directors**

(Amount in Rupees)

Name of Director	Basic Salary	Provident Fund	Allowances and other benefits	Sitting Fees	Total
Mr. Prabhat Kumar Srivastava	-	-	-	2,20,000	2,20,000
Capt. Rahul Bhargava	30,78,952	-	-	-	30,78,952
Mr. Natesan Srinivasan	-	-	-	6,50,000	6,50,000
Captain Bhupinder Singh Kumar	-	-	-	6,50,000	6,50,000
Mr. Ramesh Krishnan	-	-	-	-	-

Ms. Sunita Kotian	-	-	-	3,50,000	3,50,000
Mr. Rajesh Desai	-	-	-	1,80,000	1,80,000
Capt. Subimal Mahato	22,17,393	-	-	-	22,17,393
Mr. Sumit Agarwal	-	-	-	-	-

Notes:

1. Capt. Rahul Bhargava retired by rotation as whole time director in the 10th Annual General meeting held on September 30 2020 and Capt Subimal Mahato was appointed in his place. The remuneration is on proportionate basis.
2. Due to sudden demise of Mr. Prabhat Kumar Srivasatava was Director on the Board till November 08, 2020
3. Mr. Ramesh Krishnan resigned with effect from May 21, 2020 & Mr. Sumit Agarwal was appointed on Board with effect from February 08, 2021.

During the year under review, no stock options were granted to any Director or employee of the Company. No Shares or Convertible Instruments are held by any Members of the Board except the Stock Options granted to the Executive Director(s) of the Company and its subsidiaries pursuant to the, `Essar Shipping Employees Stock Option Scheme – 2011'.

Criteria of making payment to Non-Executive Directors

The Company has policy on making payment of Remuneration which include Criteria of making payments to non-executive directors. The said policy is available on website of the Company and the same can be access at: https://www.essar.com/investors/essar-shipping-limited/

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The term of reference of the Stakeholder's Relationship Committee include redressing shareholder and investor complaints like non – receipt of transfer and transmission of shares, non - receipt of duplicate share certificate, non - receipt of balance sheet, non - receipt of dividends etc. and to ensure expeditious share transfer process.

During the year under review, the Committee met once on February 08, 2021

The Composition of the Stakeholders' Relationship Committee along with the details of the meetings attended by the Directors is given below:

Names of Members	Category	No. of Meetings attended during the year ended 31st March 2021
Captain Bhupinder Singh Kumar – Chairman	Independent	1
Mr. Prabhat Kumar Srivastava – Member	Non-Executive	NA
Mr. Ramesh Krishnan – Member	Non-Executive	1
Ms. Sunita Kotian- Member	Non-Executive	1

Note:

1. Due to sudden demise of Mr. Prabhat Kumar Srivastava, Ms. Sunita Kotian became member of the Committee w.e.f. February 08, 2021

Name and Designation of Compliance Officer: Ms. Jyotsna Gupta, Company Secretary & Compliance Officer.

Status of Complaints received during the year ended March 31, 2021:

Nature of Complaints	Received	Resolved	Pending
Relating to Transfer, Transmission etc. and other/Miscellaneous	11	11	Nil
TOTAL	**11**	**11**	**Nil**

Pending Transfers:

There were no pending transfers as on March 31 2021.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 08, 2021, inter alia to discuss:

- Evaluation of the performance of Non-Independent Directors
- Evaluation of the performance of Chairman of the Company
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably to perform its duties.

The following Independent Directors were present at the Meeting:

- Mr. Natesan Srinivasan
- Captain Bhupinder Singh Kumar

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Regulation 16(1) (b) of SEBI (LODR), Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. In the opinion of the Board of Directors, all Independent Director fulfills the above criteria and are independent of the management.

Resignation of an Independent Director:

No Independent Director have resigned from the position of Independent Director before the expiry of the tenure during the Financial Year 2020-2021.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee consists of three Directors. The composition of committee as on 31st March 2021 is as follows:

- Captain Bhupinder Singh Kumar
- Mr. Subimal Mahato
- Mr. Rajesh Desai

Terms of reference of the Corporate Social Responsibility Committee include formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on the activities referred to in CSR Policy and monitoring the CSR Policy of the Company from time to time. The CSR policy is given in the Company's website: https://www.essar.com/

DISCLOSURE

a) There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts a list of related parties as per IND AS-24 and the transactions entered into with them.

b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL

c) The Company has established a vigil mechanism (Whistle Blower Policy) for Directors and employees to report genuine concerns. The Whistle Blower Policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No personnel has been denied access to the audit committee. A copy of the Whistle Blower Policy is available on the website of the Company: www.essar.com.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:

   All the mandatory items of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, interlia as listed below, have been complied with and covered in this report:

   (i) Brief statement on Company's philosophy on code of governance;

   (ii) Board of Directors;

   (iii) Audit Committee;

   (iv) Nomination and Remuneration Committee;

   (v) Remuneration of Directors

   (vi) Stakeholders' Relationship Committee;

   (vii) General Body Meetings;

   (viii) Other Disclosures;

   (ix) Means of Communication;

   (x) General Shareholder Information.

e) Policy for determining 'material' subsidiaries

   Details of the Policy for determining 'material' subsidiaries is available on the website and the link for the same is: https://www.essar.com/investors/essar-shipping-limited/

f) Details of the Policy for dealing with Related Party Transactions is available on the website and the link for the same is: https://www.essar.com/investors/essar-shipping-limited/

g) The following information has been disclosed in the "Form MGT-9" for the Financial Year 2020-2021 forming part of Directors Report

   (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of all the directors;

   (ii) Details of fixed component and performance linked incentives along with the performance criteria;

   (iii) Service contracts, notice period, severance fees;

   (iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Board Disclosures:

The Company follows adequate procedures to inform Board members about the risk assessment and minimization procedures.

Prevention of Insider Trading

The Company has framed and implemented a Code on Prevention of Insider Trading in accordance with the Code prescribed by SEBI (Prohibition of Insider Trading) Regulation, 2015 and disclosed on the website of the Company viz.: https://www.essar.com/investors/essar-shipping-limited/

e) The President & CEO and the Chief Financial Officer have provided the Compliance Certificate to the Board of Directors as per regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2011 for the Financial Year Ended March 31, 2021.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company continuously strives towards improving its Corporate Governance practices. Whilst your Company is fully compliant with the mandatory requirements of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The status of compliance of non-mandatory requirements under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is as follow:

The Board

Mr. Natesan Srinivasan, a Non-Executive Chairman is entitled to and also allowed reimbursement of expenses incurred in performance of his duties.

Shareholder Rights

The financial results of the Company for every quarter are extensively published in the newspapers and are also uploaded on the Company's website. The same are also sent to the shareholder on request.

Key Managerial Personnel

In accordance with the Section 203 of the Companies Act, 2013 and Rules made thereunder, the following persons are appointed as Key Managerial Personnel of the Company:

a) Mr. Ranjit Singh, President and CEO

b) Mr. Ketan Shah, Chief Financial Officer

c) *Ms. Jyotsna Gupta, Company Secretary

* Ms. Jyotsna Gupta resigned from the post of Company Secretary with effect from August 01, 2021.

CEO and CFO Certification:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ranjit Singh, President & CEO and Mr. Ketan Shah, CFO have issued certificates to the Board of Directors which forms a part of the Annual Report of the Company for the year ended March 31, 2021.

Certificate from Company Secretary in Practice:

Mr. Martinho Ferrao of Martinho Ferrao & Associates, Practicing Company Secretary has issued a certificate as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that none of Directors of the Company are debarred or disqualified from being appointed or to continue as Directors of the Company by the SEBI/Ministry of Corporate Affairs or any another Statutory Authority. The said Certificate is enclosed.

Details total fees paid to statutory auditors:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors are as follows:

Particulars	Financial Year 2020-2021 (INR in Crores)
Audit fees	0.51
For other services (Certifications, etc.)	0.08
Tax Audit	-
Limited Review	-
Reimbursement of Expenses	0.01
Total	**0.60**

GENERAL BODY MEETING

Details of the last three Annual General Meetings held from the year 2017-2018 to 2019-2020 are given below, in the ascending order:

2017-2018:	The Eighth Annual General Meeting of the Company was held on September 26, 2018 at 3:00 pm at the registered office of the Company situated at EBTSL Premises, ER-2 Building (Admn. Building) Salaya 44 KM, P.B. No 7 Taluka, Khambhalia, Devbhumi Dwarka Khambhalia Jamnagar – 361305

2018-2019:	The Ninth Annual General Meeting of the Company was held on December 23, 2019 at 10:30 am at the registered office of the Company situated at EBTSL Premises, ER-2 Building (Admn. Building) Salaya 44 KM, P.B. No 7 Taluka, Khambhalia, Devbhumi Dwarka Khambhalia Jamnagar – 361305
2019-2020:	The Tenth Annual General Meeting of the Company was held on September 30, 2020 at 3:00 pm through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) venue recorded at 5th floor, Essar house, 11 K.K. Marg, Mahalaxmi, Mumbai – 400034

Details of the Special Resolutions passed in the previous three Annual General Meetings:

At the Eighth Annual General Meeting held on September 26, 2018, Special Resolution was passed pertaining to:

(i) Approval for Related Party Transactions of the Company

At the Ninth Annual General Meeting held on December 23, 2019, Special Resolution was passed pertaining to:

(i) Approval for Related Party Transactions of the Company- Approved.

(ii) Adoption of Memorandum of Association of the Company as per Companies Act 2013.

(iii) Adoption of Articles of Association of the Company as per Companies Act 2013.

At the Tenth Annual General Meeting held on September 30, 2020, Special Resolution was passed pertaining to:

(i) Approval for Related Party Transactions of the Company

(ii) Transfer, sell, lease or dispose of (including but not limited to by way of organizing an auction sale) from time to time, one or more vessels, directly /indirectly owned by the Company including all movable and assets forming part of the respective vessel(s) at such price(s) and on such term(s) and condition(s) as may be approved by the Board for / in relation to settlement of outstanding credit facilities / debts availed by the Company from time to time, from various banks and other lenders within the borrowing limits earlier approved by the members i.e. Rupees Five Thousand Crore only over and above the aggregate of the paid up share capital of the Company and its free reserves

Details of special resolution passed last year through postal ballot:

A. Special Resolution passed through Postal Ballot in the Financial Year 2019-2020: NIL

B. Person who conducted the postal ballot exercise: Not Applicable

C. Whether any Special Resolution is proposed to be passed through Postal Ballot: NIL

D. Procedure for Postal Ballot: NIL

Means of Communication:

Quarterly / Half Yearly / Annual Financial Results and other Information about the Company	The Quarterly and Annual Financial Results are displayed on the Company's website: www.essar.com. Published in newspapers such as Business Standard and Jai Hind in compliance with Listing Regulations
Presentation to Institutional Investors and to the Analyst	Press releases and presentations made to Institutional Investors and Analysts are displayed on the Company's website: www.essar.com
Management Discussion & Analysis	Forms part of the Annual Report, which is mailed to the Shareholders of the Company.

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting details

Date	September 29, 2021
Venue	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in accordance with the provisions of General Circular No. 20/2020 Dated May 5, 2020 read with General Circular No. 14/2020 Dated April 08, 2020 and General Circular No. 17/2020 Dated April 13, 2020 both issued by the Ministry of Corporate Affairs, Government of India and applicable Provisions of the Companies Act, 2013 and the rules made there under. Venue recorded at 5th floor, Essar house, 11 K.K. Marg, Mahalaxmi, Mumbai – 400034
Time	3:00 PM
Book Closure Dates	September 23, 2021 to September 29, 2021 (Both days inclusive)

Financial year: 1st April 2020 to 31st March 2021

Listing on Stock Exchanges: The Ordinary Shares of the Company are listed and available for Trading on BSE Limited and the National Stock Exchange of India Limited. The Secured Non-Convertible Debentures of the Company are listed on wholesale Debt Segment of the National Stock Exchange of India Limited (INE282A07039 and INE282A07047). The details of Stock Exchange and Securities listed are provided below:

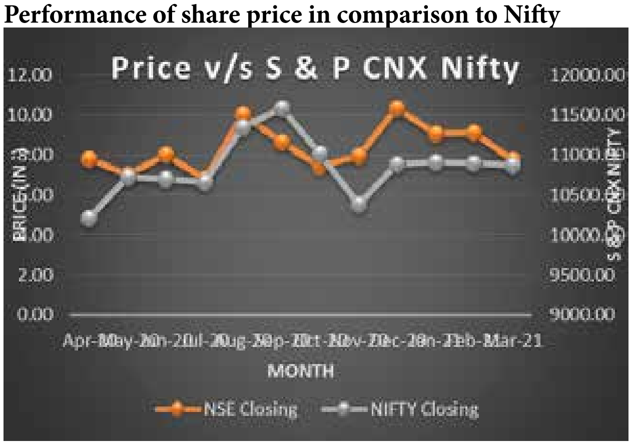
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex, Bandra East
Mumbai – 400 051
Code: ESSARSHPNG
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001.

Code: 533704

The Company hereby confirms that Annual Listing Fees for financial year 2020-21 is paid to BSE and NSE

Performance of share price in comparison to BSE Sensex

Performance of share price in comparison to Nifty



The applicable listing fees have been paid to respective stock exchanges.

Market price data (High/Low) during each month in the Year 2020-2021

BSE Limited			National Stock Exchange of India Limited		
Month	Highest	Lowest	Month	Highest	Lowest
April 2020	10.97	5.00	April 2020	10.95	4.75
May 2020	8.34	6.61	May 2020	8.20	6.65
June 2020	9.20	7.00	June 2020	8.85	6.70
July 2020	8.82	6.75	July 2020	8.20	6.75
August 2020	12.80	6.50	August 2020	12.75	6.50
September 2020	10.25	8.08	September 2020	10.45	8.10
October 2020	8.84	7.05	October 2020	8.75	7.15
November 2020	7.99	7.05	November 2020	7.95	7.00
December 2020	12.30	7.90	December 2020	12.30	8.00
January 2021	10.99	8.75	January 2021	10.60	8.90
February 2021	10.73	8.84	February 2021	10.60	8.70
March 2021	10.52	7.38	March 2021	10.50	7.30
Scrip Code: 533704			Scrip Code: ESSARSHPNG		

Registrars and Share Transfer Agents

Data Software Research Company Private Limited
19, Pycrofts Garden Road,
Off. Haddows Road, Nungambakkam,
Chennai - 600 006
Ph.No.+91-44-28213738/28214487
Fax No.+91-44-28214636
E-mail: essar.shipping@dsrc-cid.in

Share Transfer System

The Share transfers are registered within an average period of 15 days. Presently the Company dematerialises the Shares after getting the dematerialisation requests being generated by the Depository Participant.

Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination isn respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit to the R&T Agent of the Company the prescribed nomination form.

Distribution of Shareholding as on March 31, 2021

No. of Equity Shareholders	No of Shareholders	% of Shareholders	Total No of Shares	% of Holding
Upto 5000	85435	99.57	9865739	4.77
5001 to 10000	157	0.18	1173338	0.57
10001 to 20000	96	0.11	1359988	0.66
20001 to 30000	35	0.04	888377	0.43
30001 to 40000	16	0.02	552827	0.27
40001 to 50000	13	0.02	606508	0.29
50001 TO 100000	25	0.03	1817333	0.88
100001 AND ABOVE	27	0.03	190711962	92.14
TOTAL	85804	100.00	206976072	100.00

Dematerialisation of Shares as on March 31, 2021

Mode	No. of Shares	No. of Folio	%
Physical	2218258	45818	1.07
Demat	204757814	39,986	98.93
TOTAL	**206876072**	**85804**	**100.00**

Disclosures with respect to demat suspense account/ unclaimed suspense account:

Following is the details of shares in the demat suspense account or unclaimed suspense account, as applicable during the Financial Year 2020-2021:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NA
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	NA
Number of shareholders to whom shares were transferred from suspense account during the year	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NA
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	NA

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity

As on March 31, 2021, the total outstanding Foreign Currency Convertible Bonds (FCCB) were 2400, 5% FCCBs (Series A and Series B) aggregating to USD 240,000,000. Series A FCCBs with original maturity on 24th August, 2015 were extended to a term of 2 years ending on 24th August, 2017 and a further term of 2 years ending on August 24, 2019 and Series B FCCBs with original maturity on 24th August, 2017 and extension seeked till 24th August, 2019. The RBI approval for extension of maturity are in place.

An application for extension of term further by 2 years of FCCBs of Series A and Series B has further been made to RBI from 24th August, 2019 to 24th August 2021 and the approval for the extension is pending from the Regulator amid pandemic. Further, an application for extension of the maturity term of FCCB was made to RBI on 22nd June 2021 for extending the term of maturity by further two years i.e. from July 2021 to August 2023. However, amid the pandemic the approval for extension of maturity applied in May 2019 to seek the extension from July 2019 to August 2021 is still awaited. Meanwhile the Company has made another application, as such approval of extension from July 2019 to August 2023 is now awaited from RBI.

These FCCBs are convertible into 122,852,787 equity shares of Rs. 10 each of the Company at a conversion rate of Rs. 91.70 per equity share at a fixed exchange rate of Rs. 46.94.

Compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. In the Board meeting held on June 08, 2021, the Committee under the Prevention of Sexual Harassment Act has been reconstituted.

The below table provides details of complaints received/ disposed during the financial year 2020-2021:

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year.	NIL

Reconciliation and Share Capital Audit

As per the requirement of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018; a qualified practicing Company Secretary (M/s. V. Mahesh & Associates) carries out secretarial audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total Issued/Paid up Capital is in agreement with the total number of shares in physical from and the total number of dematerialized shares held with NSDL and CDSL.

Secretarial Audit

M/s Martinho Ferrao & Associates, Practicing Company Secretaries has conducted the secretarial Audit for the Financial Year 2020-2021. The Secretarial Audit Report is annexed with the Directors' Report.

Compliance Officer: Company Secretary

Designated Email ID for Investors/Members:

esl.secretarial@essar.co.in

Registered Office: EBTSL Premises, ER-2 Building (Admn. Bldg), Salaya, 44 KM, P.O. Box No. 7, Taluka Khambalia, Devbhumi Dwarka, Gujarat - 361 305

Corporate Office: Essar House, 11, K. K. Marg, Mahalaxmi, Mumbai - 400 034

Tel : (022) 6660 1100, Fax: (022) 2354 4312

Email: esl.secretarial@essar.co.in

For and on behalf of the Board

Sd/-
N. S. Srinivasan
Chairman
DIN: 00004195

Mumbai,
August 31, 2021

CEO & CFO CERTIFICATE

[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors,

Essar Shipping Limited

Subject: Certificate on financial statements for the financial year ended March 31, 2021 pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We, Mr. Ranjit Singh, Chief Executive Officer and Mr. Ketan Shah, Chief Financial Officer, have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2021 and that to the best of our knowledge and belief, we hereby certify that:

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.

(d) we have indicated to the Auditors and Audit Committee that:

(i) There are no significant changes in internal control over financial reporting during the year;

(ii) There are no significant changes in accounting policies during the year; and

(iii) There are no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

	For and on behalf of the Board
Sd/-	Sd/-
Ranjit Singh	N. S. Srinivasan
President & CEO	Chairman
Mumbai, August 31, 2021	DIN: 00004195

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT TO THE MEMBERS OF THE ESSAR SHIPPING LIMITED

The Company has framed a specific code of Conduct for the members of the Board and the Senior Management Personnel of the Company pursuant to Regulation 34(3), Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to further strengthen Corporate Governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2021

For Essar Shipping Limited
Ranjit Singh
President & CEO
August 31, 2021

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Essar Shipping Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 16 October 2020.
2. This report contains details of compliance of conditions of Corporate Governance by Essar Shipping Limited ("the Company"), for the year ended 31 March 2021, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") pursuant to the Listing Agreement of the Company with stock exchanges.

Management's Responsibility for compliance with conditions of the SEBI Listing Regulations

3. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes design, implementation and maintenance of internal control, procedures and all relevant supporting records and documents to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31 March 2021.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended 31 March 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

10. This certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the aforesaid regulations and should not be used by any other person or may not be suitable for any other purpose. Accordingly we do not accept or assume any liability or any duty or any care for any other purpose or any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961 W / W - 100036
Diwakar Sapre
Partner
Membership No. 40740
UDIN: 21040740AAAACT4359

Place: Mumbai
Date: 31 August 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Essar Shipping Limited

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the standalone financial statements of Essar Shipping Limited ("the Company"), which comprises of the balance sheet as at 31 March, 2021, the standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of cash flows and the standalone statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, the loss (financial position including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial Statements 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 (ICAI) together withthe ethical requirements that are relevant to our audit of the standalone financial statements 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 28 to the standalone financial statements, which indicates that as on 31 March, 2021 the Company has accumulated losses of Rs.8,264.54 crore as against capital and reserves of Rs.5,217.94 crore. The Company has also defaulted on several loans and some of the lenders of the company have filed application before the High court / National Company Law Tribunals for recovery of overdue amounts and / or enforcement of guarantees. The Company's current liabilities exceeds its current assets as on 31 March, 2021. This indicates that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. The Company however has represented that, as mentioned in Note No. 28 to the standalone financial statements, necessary steps have been taken to meet liabilities as and when they become due for payment.

We also draw attention to Note No. 30 of the standalone financial statements, wherein the Company got admitted to Corporate Insolvency Resolution Process due to invocation of corporate guarantee on account of default by a Subsidiary Company. However, subsequently, post settlement with the lender after the date of the balance sheet these proceedings have been withdrawn against the Company. The Subsidiary Company however, is still to fulfil the settlement terms and subject to final settlement, the impact of Corporate Insolvency Resolution Process remains uncertain.

Our opinion on the standalone financial statements is not modified for the above matter.

Emphasis of Matter

a. We draw attention to Note No. 6(E) of the standalone financial statements wherein the Company had recognized revenue in the financial year 2017-18 amounting to Rs. 369.81 crore (including accrued interest upto 31 March, 2018) based on compensation granted to the Company by arbitration proceedings for breach of contract terms by a charterer and the same remains outstanding as on 31 March, 2021. The Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no further interest is accrued on the same;

b. We also draw attention to Note No. 9(A) of the standalone financial statements which states that the Company had issued standby letter of credit (SBLC) with three banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked during the previous year. The Company is taking up matter with respective bank to settle the loans through monetization of assets;

c. We draw attention to Note No. 9(A) of the standalone financial statements, wherein company has disclosed payables to a wholly owned overseas subsidiary net of amounts receivables from the same subsidiary. This is subject to pending application and approval from the regulatory authorities.

   Our opinion is not modified in respect of the above matters and in case of point (a) to (c) above our opinion was not modified in respect of previous year as well.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going Concern paragraph, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Auditor's Response
Going concern As on 31 March, 2021 the Company has accumulated losses of Rs. 8,264.54 crore as against capital and reserves of Rs. 5,217.94 crore. The Company has also defaulted on several loans and lenders have initiated recovery proceedings as mentioned in Note No. 28 of the standalone financial statements. The Company's current liabilities exceeds its current assets as on 31 March, 2021 (Refer Note No. 28 of standalone financial statements). All these factors indicates that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern.	Our audit included but was not limited to the following activities: 1. Requested and obtained external confirmation of balances from each of these lenders to confirm the balance outstanding as on 31 March, 2021; 2. Assessing management's steps to be taken to meet liabilities as and when they become due for payment; 3. Obtained and evaluated the Company's plans to repay these loans (with interest) through communication letters and the extent of stepstaken for the same; 4. Obtaining and evaluating various communications with the lenders for the one- time settlement proposed by the company. 5. Evaluating other legal and other developments related to the company and / or its subsidiaries based on subsequent Minutes of the Audit Committee and Board of Directors We found the key assumptions were supported by the available evidence. Based on the audit procedures performed, we found disclosures in Note No. 9 of the standalone financial statements to be appropriate.
Evaluation of Litigation matters The Company has certain significant open legal proceedings under arbitration for various matters with the Lenders & Customers, continuing from earlier years (Refer Note No. 22 and 28 of standalone financial statements)	Our audit included but was not limited to the following activities: 1. Assessing management's position through discussions with the external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss; 2. Discussion with the management on the development in these litigations during the year ended 31 March, 2021; 3. Review of the disclosures made by the Company in the standalone financial statements in this regard; 4. Obtaining representation letter from the management on the assessment of these matters (including the basis of the judgement).

Information other than the Standalone financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Annual Report including it's annexures, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our independent auditor's report thereon. The Company's annual report is expected to be made available to us afterthe date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

Responsibilities of the management and those charged with governance for the Standalone financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, 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 statements, whetherdue 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 proceduresthat are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible forexpressing our opinion on whether the company has adequate internal financial control systems in placeand the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 weconclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial

statements 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 independent 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 statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the standalone financial statements of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected tooutweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the standalone Statement of Profit and Loss including other comprehensive income, standalone statement of changes in equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts;
   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e. The matters described under "Emphasis of Matter" paragraph and the Going Concern matter described under the "Material Uncertainty Related to Going Concern" paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
   f. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
   g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements;
   h. With respect to the other matters to be included in the Auditor's Report in accordance with therequirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of Section 197, read with Schedule V of the Act;

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations on its financial position in its standalone financial statements, other than as mentioned in Note No. 22 to the standalone financial statements;

b) The Company did not have any long-term contracts including derivative for which there were any material foreseeable losses;

c) The Company is not required to transfer any amount to the Investor Education and Protection Fund during the ended 31 March, 2021;

d) i) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961 W/W - 100036

Himanshu Kishnadwala
Partner
Membership No. 37391
UDIN: 21037391AAAADJ8072

Place: Mumbai
Date: June 24, 2021

Annexure – A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report ofeven date)

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment;

(b) As per the information and explanations provided to us, the management has carried out the physical verification of property, plant and equipment during the year, in accordance with a program of verification, which in our opinion provides physical verification of all assets at reasonable intervals. No material discrepancies have been noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination ofthe records of the Company, it has proper title of the immovable property in the name of the Company.

(ii) As informed to us, the inventory has been physically verified by the Management at reasonable intervals during the year and no material discrepancies have been noticed on such verification;

(iii) According to the information and explanations provided to us, the Company has granted unsecured loan to one company (Step-down Subsidiary company), covered in the register maintained under section 189 of the Act and the year-end balance is Rs. 6,00,00,000;

(a) In respect of the aforesaid loans, which are repayable on demand, the terms and conditions of the loan not prejudicial to the interests of the Company;

(b) In respect of the aforesaid loans, since the principal and interest are repayable on demand, the regularity of principal and payment of interest cannot be determined;

(c) In respect of the aforesaid loans, since the loan is repayable on demand the overdue amounts cannot be determined.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and securities, as applicable.

(v) According to the information and explanations provided to us, the Company has not accepted any deposits to which directives of the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

(vi) According to the information and explanations provided to us, the Company is not required tomaintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Act;

(vii) (a) According to the information and explanation provided to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including provident fund, duty of customs, goods and service tax and other material statutory dues as applicable with appropriate authorities. However, delays in deposits of profession tax and provident fund were observed ranging from 14 to 106 days and 7 to 17 days respectively. The extent of arrears of undisputed tax deducted at source outstanding as at 31 March, 2021 for a period of more than six months from the date the same became payable is Rs. 0.03 crore.

(b) According to the information and explanations provided to us and the records of the company examined by us, the particulars of dues of Income Tax, Goods and Service tax, Duty of Customs and Duty of Excise or cess as at 31 March, 2021 which have not been deposited on account of a dispute, are as follows:

(Rs. In crore)

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the matter is pending
Income Tax Act, 1961	Income Tax	7.29	A.Y. 1993-94	The High Court of Bombay
Income Tax Act, 1961	Income Tax	18.13*	A.Y. 2012-13	CIT-Appeals
Income Tax Act, 1961	Income Tax	37.55*	A.Y. 2014-15	CIT-Appeals
Income Tax Act, 1961	Income Tax	39.13	A.Y. 2015-16	CIT-Appeals
Income Tax Act, 1961	Income Tax	43.57*	A.Y. 2016-17	CIT-Appeals
Foreign Trade (Development and Regulation Act, 1992)	Custom Duty	27.40	A.Y. 2006-07	The High Court of Bombay

* The income tax department has adjusted refund of Rs 26.69 Cr against the demand of the respective assessment years.

(viii) According to the records of the Company examined by us and the information and explanations given to us, except for the loans, borrowings and dues mentioned in the below table, the Company has not defaulted in repayment of loans and borrowings to Financial Institution, banks, government or dues to Debenture holders as at the balance sheet date:

(Amount in Rs. Cr)

Lender Name	Amount of default of principal as atthe balance sheet date	Amount of default of accrued interest as at the balance sheet date	Period of Default
Debenture Holders			
Life Insurance Corporation	700.00	797.87	2132 days
CSEB (Chattisgarh State Electricity Board) Gratuity and Pension fund Trust	2.80	0.91	269 days
Rajasthan Rajya Vidyut Prasaran Nigam Limited	-	0.91	1519 days
Banks			
Syndicate Bank	55.42	26.29	1980 days
State Bank of India (Invoked SBLC)	294.28	54.72	461 days
EXIM Bank (Invoked SBLC)	54.66	16.23	633 days
Yes Bank (Invoked SBLC)	285.91	133.15	624 days
Financial Institutions			
IGOF	25.00	10.41	2161 days
ILFS	25.28	1.02	548 days
Total	**1,443.35**	**1,041.51**	

(ix) According to the records of the Company examined by us and the information and explanation provided to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments);

(x) According to the information and explanations provided to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;

(xi) According to the information and explanations provided to us and based on our examination of the records of the Company, during the year, the Company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act;

(xii) In our opinion and according to the information and explanations provided to us, the Company is nota Nidhi company and accordingly, the provisions of clause 3 (xii) of the Order are not applicable to thecompany;

(xiii) According to the records of the Company examined by us and the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188of the Act, where applicable and the details thereof have been disclosed in the Standalone financial Statements under Note No. 27 to the standalone financial statements as required by the applicable Indian accounting standards;

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review under section 42 of the Act. Accordingly, the provisions of clause 3(xiv) are not applicable to the Company;

(xv) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company;

(xvi) According to information and explanation given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961 W/W - 100036

Himanshu Kishnadwala
Partner
Membership No. 37391
UDIN: 21037391AAAADJ8072

Place: Mumbai
Date: June 24, 2021

Annexure - B to the Independent Auditors' Report

of even date on the standalone financial statements of Essar Shipping Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of **Essar Shipping Limited** ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control with respect to financial statements based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance withauthorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree ofcompliance with the policies or procedures may deteriorate.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961 W/W - 100036

Himanshu Kishnadwala
Partner
Membership No. 37391
UDIN: 21037391AAAADJ8072

Place: Mumbai
Date: June 24, 2021

Balance Sheet as at 31 March, 2021

(₹ in crore)

Particulars	Note no.	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	687.58	742.27
(b) Investments	3	252.66	252.66
(c) Other non-current assets	4	9.07	15.78
Total non-current assets		**949.31**	**1,010.71**
2 Current assets			
(a) Inventories	5	9.27	10.00
(b) Financial assets			
i. Investments in Mutual Funds	6 (A)	6.23	-
ii. Trade and other receivables	6 (B)	12.77	31.82
iii. Cash and bank balances	6 (C)	13.19	6.38
iv. Loans	6 (D)	6.41	0.41
v. Other financial assets	6 (E)	440.22	444.22
(d) Other current assets	7	39.76	83.87
Total current assets		**527.85**	**576.70**
TOTAL ASSETS		**1,477.16**	**1,587.41**
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	8 (A)	206.98	206.98
Other Equity			
Reserves and surplus	8 (C)	(3,253.58)	(2,955.90)
Total equity		**(3,046.60)**	**(2,748.92)**
Liabilities			
2 Non-current liabilities			
Financial liabilities			
Borrowings	9 (A)	1,853.58	1,978.36
Total non-current liabilities		**1,853.58**	**1,978.36**
3 Current liabilities			
Financial liabilities			
i. Trade payables			
- Total outstanding dues to micro and small enterprises	9 (B)	0.27	0.03
- Total outstanding dues to creditors other than micro and small enterprises	9 (B)	146.08	116.66
ii.Other financial liabilities	9 (C)	2,512.02	2,226.67
Employee benefit obligations	10	2.48	2.39
Other current liabilities	11	9.33	12.22
Total current liabilities		**2,670.18**	**2,357.97**
Total liabilities		**4,523.76**	**4,336.33**
TOTAL EQUITY AND LIABILITIES		**1,477.16**	**1,587.41**

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391
Mumbai
24 June, 2021

For and on behalf of the Board

Capt. Subimal Mahato
Director
(DIN: 08867107)

N. Srinivasan
Director
(DIN: 0004195)

Ketan Shah
Chief Financial Officer

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

Mumbai
24 June, 2021

Standalone Statement of Profit and Loss for the year ended 31 March, 2021

(₹ in crore)

Particulars	Note no.	Year ended 31 March, 2021	Year ended 31 March, 2020
Income:			
Revenue from operations	12	166.94	538.47
Other income	13	8.95	12.53
Total		**175.89**	**551.00**
Expenses:			
Operating expenses	14	84.35	300.23
Employee benefits expense	15	52.62	55.40
Finance costs	16	212.16	209.87
Depreciation	2	112.53	110.35
Other expenses	17	12.29	48.06
Total expenses		**473.95**	**723.91**
Loss before exceptional items and tax		**(298.06)**	**(172.91)**
Exceptional items	18		
Income		0.79	-
Expenses		-	(2,779.42)
Loss after exceptional items and before tax		**(297.27)**	**(2,952.33)**
Current tax	19	(0.62)	(1.11)
Profit /(loss) for the year after exceptional items		**(297.89)**	**(2,953.44)**
Items that will not be reclassified subsequently to profit and loss account			
Actuarial gain / (loss) on remeasurement of the Defined Benefit Plans		0.20	2.91
Total other comprehensive gain / (loss) for the year		**0.20**	**2.91**
Total comprehensive profit / (loss) for the year		**(297.69)**	**(2,950.53)**
Earnings per share before exceptional items (EPS)			
(a) Basic (in ₹)		(14.43)	(8.41)
(b) Diluted (in ₹)		(14.43)	(8.41)
Earnings per share after exceptional items (EPS)			
(a) Basic (in ₹)		(14.39)	(142.69)
(b) Diluted (in ₹)		(14.39)	(142.69)

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

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Company Secretary
Membership No. ACS 23899

Mumbai
24 June, 2021

Standalone Statement of Cash Flows for the year ended 31 March, 2021

(₹ in crore)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(297.27)	(2,952.33)
Adjustments for :		
Exceptional Items		
- Reversal of Provision for impairment of loans & advances receivable from subsidiary	(0.79)	-
- Provision for impairment as per Ind AS 36 in the fair value of subsidiaries based on management assessment and valuation report	-	2,728.94
- Provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment and valuation report	-	35.77
- Provision for impairment of loans and advances receivable from subsidiary	-	14.71
Gain on sale/Fair Vale of current investment measured at FVTPL	(0.28)	-
Depreciation	112.53	110.35
Finance costs	212.16	209.87
Interest income	(1.27)	(1.20)
Unrealised foreign exchange loss	4.47	11.36
Operating profit before working capital changes	**29.55**	**157.47**
Changes in working capital:		
(Increase) / Decrease in inventories	0.73	1.58
(Increase) / Decrease in trade receivables, loans and advances and other assets	26.61	20.18
Increase / (Decrease) in trade payables, other liabilities and short term provisions	5.56	(14.11)
Cash generated from operations	**62.45**	**165.12**
Income taxes refunded / (paid), net	41.78	(10.43)
Net cash generated from operating activities	**104.23**	**154.69**
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment of capital expenditure on Property, Plant and Equipment including capital advances and Capital Work in Progress	(52.89)	(5.19)
(Purchase) / Sale of Current Investments (Net)	(5.95)	0.01
Proceeds/(Investment) in Bank deposits	0.02	22.58
Intercorporate deposits given to Subsidiary	(6.00)	-
Intercorporate deposits repaid back by Subsidiary	0.79	-
Interest received	1.27	1.20
Net cash (used in) / generated from investing activities	**(62.76)**	**18.60**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	-	4.50
Proceeds from intercorporate deposits	10.30	-
Repayment of intercorporate deposits	(11.69)	(23.57)
Repayment of long-term loans	(18.16)	(93.81)
Repayment of short-term loans	-	(4.50)
Finance costs paid	(15.09)	(53.71)
Net cash used in financing activities	**(34.64)**	**(171.09)**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**6.83**	**2.21**
Unrealised foreign currency loss on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	6.36	4.15
Cash and cash equivalents at the end of the year	**13.19**	**6.36**

Note:

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Cash and cash equivalents as per cash flow statement	13.19	6.36
Add: Margin money deposits not considered as cash and cash equivalents as per Ind AS-7	-	0.02
Cash and bank balances (Restricted and Unrestricted)	**13.19**	**6.38**

Notes to the statement of cash flows and disclosure of non cash transactions:

1) The statement of cashflow is prepared in accordance with the format prescribed as per Ind-AS 7

2) In Part-A of Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in bracket indicate cash outflows.

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

Capt. Subimal Mahato
Director
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Membership No. 37391
Mumbai
24 June, 2021

Ketan Shah
Chief Financial Officer

Mumbai
24 June, 2021

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

Standalone Statement of Changes in Equity for the period ended 31 March, 2021

A. Equity Share Capital

Particulars	Equity Share Capital (₹ in crore)
Balance as on 1 April, 2019	**206.98**
Additions during the year	-
Balance as on 31 March, 2020	**206.98**
Additions during the year	-
Balance as on 31 March, 2021	**206.98**

B. Other Equity (₹ in crore)

	Reserves and Surplus								
	Securities Premium	Retained Earnings	Debenture Redemption Reserve	Share options outstanding reserve	Tonnage tax (utilised) reserve	Tonnage tax reserve	General reserve	Other comprehensive income	Total
Balance as on 1 April, 2019	3.36	(5,016.12)	101.17	0.61	33.00	68.00	4,799.22	2.49	**(8.27)**
Additions during the year	-			-			-	-	-
Amortisaion during the year									-
Unwinding of discounted liability	-		-	-	-	-	-	-	-
Profit for the year	-	(2,950.53)	-	-	-	-	-	2.91	(2,947.62)
Balance as on 31 March, 2020	**3.36**	**(7,966.65)**	**101.17**	**0.61**	**33.00**	**68.00**	**4,799.22**	**5.40**	**(2,955.89)**
Additions during the year	-	-	-	-	-	-	-	-	-
Amortisaion during the year	-	-	-	-	-	-	-	-	-
Unwinding of discounted liability	-	-	-	-	-	-	-	-	-
Profit for the year	-	(297.89)	-	-	-	-	-	0.20	(297.69)
Balance as on 31 March, 2021	**3.36**	**(8,264.54)**	**101.17**	**0.61**	**33.00**	**68.00**	**4,799.22**	**5.60**	**(3,253.58)**

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

Himanshu Kishnadwala
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24 June, 2021

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24 June, 2021

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(DIN: 0004195)

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Company Secretary
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Notes forming part of the Standalone Financial Statements

Corporate information

Essar Shipping Limited ("the Company") was incorporated in September 2010 and is listed on the Bombay Stock Exchange and National Stock Exchange in India. The Company is mainly engaged in fleet operating and chartering activities and operates international and coastal voyages. The Company has also directly and/or through its subsidiaries and associates invested in diverse business verticals viz. Fleet operating and chartering (tankers and dry bulkers), Oilfields services (land rigs and semi- submersible rig) and logistics services (trucks, trailers and tippers). The place of business of the Company is in Mumbai, India.

1. **Significant accounting policies**

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind-AS) notified under section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The company's presentation and functional currency is Indian Rupees. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in crore.

All accounting policies used in the preparation of these financial statements are consistent with those used in the previous year.

Authorisation of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 24 June, 2021.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value amount:

- Certain financial assets and liabilities (including derivative instruments) and
- Defined Benefit Plans - Plan assets.•

Going concern basis of accounting

These accounts have been prepared on a going concern basis.

In assessing the Company's going concern status, the Management has taken account of:

- the financial position of the Company;
- anticipated future business performance;
- Expected settlement with lenders & asset monetization plans
- its bank and other facilities, including facilities in default, or due to expire within the next 12 months;
- its capital investment plans;
- the likelihood of any material adverse legal judgments.

Refer Note 28 for further details.

b) Use of estimates

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Critical estimates and judgments

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer note 10

Estimation of current tax expenses and Payable - refer note 19

Useful lives of property, plant and equipment- refer note 2

Impairment of investments in subsidiaries & associate – refer note 3 and 18

Going Concern- refer note 28

Contingent Liabilities – refer note 22

Fair Value measurement of financial instrument – refer note 20

c) Current versus non-current classification

The company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

When significant parts of PPE are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and changes if any are accounted in line with revisions to accounting estimates.

Capital Work in Progress:

Capital work in progress is stated at cost, net of impairment losses, if any.

Depreciation:

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013

Assets costing less than Rs. 5,000/- are fully depreciated in the year of capitalization. Depreciation on additions/deductions to PPE made during the year is provided on a pro-rata basis from / up to the date of such additions /deductions, as the case may be.

The property plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

e) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

g) Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each standalone balance sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing is required for an asset or group of Assets, called Cash Generating Units (CGU), the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

h) Valuation of Inventory

Cost of Inventories includes all charges in bringing the inventories to their present location and condition, including octroi and other levies, transit insurance and receiving charges and excluding rebated and discounts, if any. Inventories are valued at the lower of cost determined on first-in-first-out basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value is the estimated selling price in the ordinary course of business.

i) Revenue recognition

Fleet operating & chartering earnings represent the value of charter hire earnings, demurrage, freight earnings and fleet management fees, and are accounted on accrual basis in accordance with Ind AS 115. Freight earnings are recognised on a pro-rata basis for voyages in progress at standalone balance sheet date after loading of the cargo is completed and Bill of Lading is obtained. Revenues and related expenses for voyages where cargo has not been loaded as on the standalone balance sheet date are deferred and recognised in the following year. Normal credit period generally does not exceed 20-30 days.

The Company recognises revenue from contract with customers based on a five-step model as set out in Ind AS 115:

Step 1. Identify Contracts with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Supervision and Management Fees

Revenue from sale of services is recognized on accrual basis as and when the related services are rendered as per the terms of the contract with the customer.

Note for Guarantee Commission under revenue from operations:

Foreign Guarantee Obligation will be accounted as per Ind AS 104 with the liability to pay being recognized only when a claim arises against the Foreign Guarantee Obligation. However, the Company charges guarantee commission income from its subsidiaries as a percentage of the guarantee amount as on the beginning of the year only in the cases where the bank has charged us the same.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR).

Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

j) Fleet operating expenses

All expenses relating to the operation of the fleet including crewing, insurance, stores, bunkers, charter hire and special survey costs, are expensed under fleet operating expenses on accrual basis. Dry-docking expenses are amortised over 30 months.

k) Employee benefits

i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, and performance incentives.

ii) Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the standalone balance sheet date.

iii) Post employment benefit plan

The Company (employer) and the employees contribute a specified percentage of eligible employees' salary- currently 12%, to the employer established provident fund "Essar Shipping Limited Employees Provident Fund" set up as an irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on government specified minimum rates of return – currently @ 8.5%, and recognises such provident fund liability, considering fund as the defined benefit plan, based on an independent actuarial valuation carried out at every statutory year end using the Projected Unit Credit Method.

Provision for gratuity for floating staff is made as under:

(i) For offshore officers on actuarial valuation.

(ii) For offshore crew on accrual basis as per rules of the National Maritime Board and is charged to the Statement of Profit and Loss.

Contribution to defined contribution retirement benefit schemes are recognised as expense in the Statement of Profit and Loss, when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each standalone balance sheet date. Actuarial gains and losses are recognised in full in Other Comprehensive Income, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and is otherwise amortised on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the standalone balance sheet represents the present value of the defined benefit obligation and is adjusted both for unrecognised past service cost, and for the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme, if lower.

iv) Employee Options

The fair value of the options granted under the value of the Company, Employee Option Plan is recognised as employee benefits expense with the corresponding increase in equity. The total amount to be expensed is determined by the reference to the fair value of the options granted:

- including any market conditions (e.g., the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (profitability, sales growth targets and remaining an employee of the Company over the specified period), and
- including the impact of any non-vesting conditions (e.g. the requirement for the employee to save or holding shares for the specific period of time)

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimate of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with the corresponding adjustments to equity.

l) Foreign currencies

(i) Functional and presentation currency

The Company's financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency.

(ii) Transaction and balances

Transactions in foreign currencies are translated into functional currency using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the yearend exchange rates are generally recognised in Statement of Profit and loss. They are deferred in Equity if they relate to qualifying cash flow hedges. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in that foreign operations.

Foreign exchanges differences regarded as adjustments to borrowing costs are presented in the statement of Profit and loss, within finance cost. All other foreign exchange gains and losses as presented in the Statement of Profit and loss on a net basis within other gains / (losses).

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using exchange rates on dates of initial recognition.

Exchange differences relating to Long term foreign currency monetary items are accounted in terms of para D13AA of Ind-AS 101 as under:

(i) In so far as they relate to the acquisition of a depreciable capital asset, such differences are added to/deducted from the cost of such capital asset and depreciated over the balance useful life of the asset

(ii) In other cases, such differences are accumulated in "Foreign currency Monetary Items Translation differences account and amortised in the statement of Profit and loss over the balance useful life of the long term foreign currency monetary item.

m) Investment in Subsidiaries and Associates

Investments in subsidiaries and associates are recorded at cost and reviewed for impairment at each reporting date.

n) Provisions and Contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each standalone balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Standalone Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

o) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, Fair Value Through Other Comprehensive Income (FVTOCI) or Fair Value Through Profit and Loss (FVTPL).

Financial Assets measured at amortised cost

Financial Assets such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at FVTOCI

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI).

Financial Assets measured at FVTPL

FVTPL is a residual category for Financial Assets excluding investments in subsidiary and associate companies. Any Financial Asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss.

Derecognition

A financial Asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a) The Company has transferred substantially all the risks and rewards of the asset, or
  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all Financial Assets (other than Financial Assets measured at FVTOCI) and equity investments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of Financial Assets measured at FVTOCI and that are accumulated in OCI are reclassified to Statement of Profit And Loss on de-recognition. Gains or losses on equity investments measured at FVTOCI that are recognized and accumulated in OCI are not reclassified to Statements of Profit and Loss on de-recognition.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at FVTOCI.

   In case of other assets (listed as a) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

q) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at FVTPL.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with changes being recognized in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through Statement of Profit and Loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Standalone balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

Foreign currency convertible bonds (FCCBs)

FCCBs are separated into liability and equity components based on the terms of the contract. On issuance of the FCCBs, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the FCCBS based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Offsetting of Financial Assets and Liabilities

In accordance with Ind AS 32, Financial Assets and Financial Liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counterparty.

r) Taxes on income

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Standalone balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Standalone Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Further, the Company is paying taxes on the basis of deemed tonnage income therefore there is no impact on deferred tax.

s) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including and excluding the post-tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including and excluding the post-tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

t) Cash and Cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank Overdrafts are shown within borrowings in current liabilities in Standalone balance sheet.

u) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Segment reporting

Operating segments are defined as components of an enterprise for which available discrete financial information is evaluated based on a single operating segment "Shipping", regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

w) Exceptional items

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Company for the year, the Company makes a disclosure of the nature and amount of such items separately under the head "Exceptional Items".

x) Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule Ill of the Companies Act, 2013. The amendments revise Division I, II and Ill of Schedule Ill and are applicable from April 1, 2021. Some of the key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-inprogress and intangible asset under development.

e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

g) Realignment of presentation of following financial statement captions:

- Security deposits to be presented under other financial assets (earlier: under loans)
- Current maturities of long-term borrowings to be disclosed separately under borrowings (earlier: under other financial liabilities)

h) Disclosure of charges/ satisfaction yet to be registered with ROC beyond the statutory period along with details and reasons thereof.

i) Prescribed disclosures where loans/ advances in the nature of loans were granted to promoters, directors, KMPs and the related parties (as defined under 2013 Act), either several\y or jointly with any other person that are:

- Repayable on demand or
- Without specifying any terms/ period of repayment

j) Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio (Explain items included in numerator and denominator and any change in the ratio >25% as compared to the preceding year).

k) Disclosure of the following where borrowings are made from banks/ Fl on the basis of security of current assets:

- Whether quarterly returns/ statements of current assets filed with banks/ Fl are in agreement with the books
- Summary of reconciliation and reasons of material discrepancies (if any)

l) Additional disclosures relating to Corporate Social Responsibility {CSR). undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Company is assessing the impact of these changes and will accordingly incorporate the same for the financial statements for the year ended March 31, 2022.

Notes forming part of the standalone financial statements as at 31 March, 2021

2. Property, plant and equipment

Particulars	Land	Buildings	Fleet	Fleet (taken on lease)	Furniture and fixtures	Vehicles	Office equipment	Total
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
Gross Block								
As at 01.04.2019	0.13	2.26	648.75	579.51	0.11	0.12	0.38	**1,231.26**
Additions	-	-	5.15	-	-	-	0.05	**5.20**
Exchange differences	-	-	5.04	-	-	-	-	**5.04**
Disposals	-	-	-	-	-	-	-	**-**
As at 31.03.2020	**0.13**	**2.26**	**658.94**	**579.51**	**0.11**	**0.12**	**0.43**	**1,241.50**
Additions	-	-	-		-	-	-	-
Dry-docking capitalised	-	-	51.85	7.42	-	-	-	**59.27**
Exchange differences	-	-	(1.43)	-	-	-	-	**(1.43)**
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2021	**0.13**	**2.26**	**709.36**	**586.93**	**0.11**	**0.12**	**0.43**	**1,299.35**
Accumulated Depreciation								
As at 01.04.2019	-	1.89	283.55	103.02	0.11	0.04	0.27	**388.88**
Additions	-	0.05	66.09	44.12	0.00	0.01	0.08	**110.35**
Disposals	-	-		-	-	-	-	-
As at 31.03.2020	-	**1.94**	**349.64**	**147.14**	**0.11**	**0.05**	**0.35**	**499.23**
Additions		0.30	67.59	44.59	0.00	0.01	0.04	**112.53**
Disposals	-	-	-	-	-		-	-
As at 31.03.2021	-	**2.24**	**417.23**	**191.73**	**0.11**	**0.06**	**0.39**	**611.76**
Net Block								
As at 31.03.2020	**0.13**	**0.32**	**309.30**	**432.37**	**(0.00)**	**0.07**	**0.08**	**742.27**
As at 31.03.2021	**0.13**	**0.02**	**292.13**	**395.20**	**(0.00)**	**0.06**	**0.04**	**687.58**

(I) Leased assets

The lease term in respect of assets acquired under finance leases expires within 10 years. Refer Note 21 for terms of leasing arrangements and related disclosures.

(II) Water treatment plant (Plant & machinery)

Gross block of plant and equipment includes a Water Treatment Plant of ₹ 38.84 crore (previous year: ₹ 38.84 crore) given on lease. The net book value is ₹ Nil (previous year: ₹ Nil).

(III) Assets given as security for borrowings

Fleet and Land owned by the Company have been given to lenders as security for various borrowing facilities.

(IV) Impairment testing for fleet

The Company has assessed ‘recoverable amount’ of each fleet by estimating their “value in use”, in terms of IND-AS 36 “Impairment of Assets”. ‘Value in use’ is estimated by applying appropriate discount rate to projected net cash inflows having regard to existing contracts, expected tariff based on past trends and costs to operate the fleet which represents the management’s best estimate of the set of economic conditions that will exist over remaining useful life of each fleet. Based on the aforementioned assessment on the balance sheet date, it has been concluded that ‘recoverable amount’ of the fleet is higher than their respective carrying amount.

3 Non-current investments

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
a) Investments in equity shares of subsidiaries/ associate (unquoted, fully paid up)		
39,037,276 (previous year 39,037,276) Equity shares of US$ 1 each of Energy II Limited	175.36	175.36
Less: Provision for impairment	(175.36)	(175.36)
137,122 (previous year137,122) Equity shares of AED 1,000/- each of Essar Shipping DMCC, Dubai (see note i)	252.66	252.66
246,600,001 (previous year 246,600,001) Equity shares of US$1/- each of OGD Services Holdings Limited	4,747.78	4,747.78
Less: Provision for impairment	(4,747.78)	(4,747.78)
Total (a)	**252.66**	**252.66**
b) Investments in equity shares of associate (unquoted, fully paid up)		
35,770,000 (previous year 35,770,000) Equity shares of ₹10/- each of Arkay Logistics Limited (see note ii)	35.77	35.77
Less: Provision for impairment	(35.77)	(35.77)
Total (b)	-	-
c) Investments in equity shares - others (unquoted, fully paid up)		
2,500 (previous year 2,500) Equity shares of ₹.10/- each of Ultra LNG Haldia Limited (₹ 25,000/-only)	0.00	0.00
Total (c)	**0.00**	**0.00**
d) Investments in preference shares of subsidiaries (unquoted, fully paid up)		
20,723,227 (previous year 20,723,227) 0.01% compulsory convertible preference shares of US$ 10 each of OGD Services Holdings Limited	1,326.80	1,326.80
Less: Provision for impairment	(1,326.80)	(1,326.80)
629,000,000 (previous year 629,000,000) 0.01% compulsory convertible preference shares of ₹10 each of OGD Services Limited	629.00	629.00
Less: Provision for impairment	(629.00)	(629.00)
Total (d)	-	-
Total (a+b+c+d)	**252.66**	**252.66**
Aggregate amount of unquoted non - current investments	**7,167.37**	**7,167.37**
Less: Aggregate amount of provision for impairment other than temporary in value of investments	**(6,914.71)**	**(6,914.71)**
Total non-current investments	**252.66**	**252.66**

Foot notes:

i) 51% equity shares of Essar Shipping DMCC have been pledged with Mashreq Bank for SBLC facility availed by Essar Shipping DMCC. SBLC has been invoked and the same is overdue. Pledge will be released upon payment of the dues.

ii) 49% shares has been pledged in favour of IDBI Trusteeship Services Limited towards security for secured non convertible debentures of ₹ 700 crore.

4 Other non-current assets

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Income tax assets	9.07	15.78
Total other non-current assets	**9.07**	**15.78**

5 Inventories

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
At lower of cost and net realisable value		
Fuel, oil and lubricants	9.27	10.00
Total Inventories	**9.27**	**10.00**

6 (A) Current investments

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Investment in Mutual Funds (quoted)		
SBI Liquid Fund Direct Growth	6.23	-
19,339.243 (Previous Year Nil) Units of SBI Liquid Fund Direct Growth of Face Value ₹ 1,000 (NAV as on 31.03.2021 ₹ 3,221.6193 per unit)		
Total current investments	**6.23**	**-**

6 (B) Trade and other receivables

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	12.77	31.81
Trade receivables which have significant increase in credit risk	4.42	11.43
Trade receivables - credit impaired	-	-
Less : Loss allowance	(4.42)	(11.43)
Total trade and other receivables	**12.77**	**31.81**

6 (C) Cash and bank balances

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Balances with banks in current accounts	13.19	6.36
Margin money deposits (lien with revenue authorities)	-	0.02
Total Cash and bank balances	**13.19**	**6.38**

6 (D) Loans (Current)

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Loan to subsidiaries (including interest accrued thereon) (refer note 27)	892.97	762.88
Less: adjusted against payable to subsidiary company (current & non current)*	(886.97)	(762.88)
Loans to employees	0.41	0.41
Total loans (Current)	**6.41**	**0.41**

* Refer note 9(A)(f)

6 (E) Other financial assets (current)

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Insurance claim receivable	1.67	5.06
Interest accrued on fixed deposits*	-	0.00
Other receivables	369.81	369.81
Security deposits	68.74	69.35
Total other financial assets (current)	**440.22**	**444.22**

* Amount ₹ 28,368.00

7 Other Current assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Income taxes	20.03	55.73
Unbilled revenue	-	0.83
Prepayments	0.38	0.29
Balances with revenue authorities	4.18	2.75
Other advances	14.85	17.58
Advance for capital expenditure	0.32	6.69
Total other current assets	**39.76**	**83.87**

8 Equity Share capital and other equity

8 (A) Equity Share Capital

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number	₹ in crore	Number	₹ in crore
Authorised equity share capital				
Equity shares of ₹10/- each	500,000,000	500.00	500,000,000	500.00
	500,000,000	**500.00**	**500,000,000**	**500.00**
Issued, subscribed and fully paid up				
Equity shares of ₹ 10/- each	206,976,072	206.98	206,976,072	206.98
Issued during the year	-	-	-	-
Total	**206,976,072**	**206.98**	**206,976,072**	**206.98**

(i) Movements in equity share capital

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number	₹ in crore	Number	₹ in crore
Opening balance	206,976,072	206.98	206,976,072	206.98
Issue during the year of shares during the year	-	-	-	-
Closing balance	**206,976,072**	**206.98**	**206,976,072**	**206.98**

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Shares held by holding company / ultimate holding company, their subsidiaries and associates

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Number	₹ in crore	%	Number	₹ in crore	%
a) Equity shares of ₹ 10/- each						
Essar Shipping Mauritius Holdings Limited, the immediate holding company	12,43,62,408	124.36	60.09%	12,43,62,408	124.36	60.09%
Essar Ports & Shipping Limited, Mauritius, the holding company	33	0.00	0.00%	33	0.00	0.00%
IDH International Drilling Holdco Limited ,Cyprus, the intermediate holding company	2,14,06,365	21.41	10.34%	2,14,06,365	21.41	10.34%
	14,57,68,806	**145.77**	**70.43%**	**14,57,68,806**	**145.77**	**70.43%**

b) Others (if holding shares more than 5%)						
India Opportunities Growth Fund Limited	1,76,44,450	17.64	8.52%	1,02,44,450	10.24	4.95%
	1,76,44,450	**17.64**	**8.52%**	**1,02,44,450**	**10.24**	**4.95%**

8 (B) **Preference Share Capital**

Particulars	**As at 31 March, 2021**		**As at 31 March, 2020**	
	Number	**₹ in crore**	**Number**	**₹ in crore**
Authorised preference share capital				
Preference shares of ₹10/- each	15,00,00,000	150.00	15,00,00,000	150.00
	15,00,00,000	150.00	15,00,00,000	150.00
Issued, subscribed and fully paid up				
Preference shares of ₹ 10/- each	-	-	-	-
Issued during the year	-	-	-	-
Total	-	-	-	-
b) Others (if holding shares more than 5%)	-	-	-	-
There are no shareholders holding more than 5% shares in the Company (except as disclosed above)				

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the date of the Balance Sheet.

Particulars	Year (Aggregate no. of shares)				
	2019-20	2018-19	2017-18	2016-17	2015-16
Equity shares issued for consideration other than cash					
Issued as fully paid up pursuant to a Scheme of arrangement	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Note: Shares reserved for issue under options

(i) The Company had reserved issuance of 3,77,463 equity shares of ₹ 10/- each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Options Scheme. (ESOS) (refer note no.26 for details)

(ii) 2,400 Foreign Currency Convertible Bonds (FCCB) are convertible into 122,852,787 equity shares (previous year 122,852,787 equity shares) of ₹ 10/- each refer foot note (f) to note 9 (A) for details.

8 (C) Reserves and surplus

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Debenture redemption reserve	101.17	101.17
Share options outstanding account	0.61	0.61
Tonnage tax (utilised) reserve	33.00	33.00
Tonnage tax reserve	68.00	68.00
Securities Premium	3.36	3.36
General reserve	4,799.22	4,799.22
Retained earnings	(8,264.54)	(7,966.66)
Other Comprehensive Income	5.60	5.41
Total Reserves and surplus	**(3,253.58)**	**(2,955.90)**

Debenture Redemption Reserve

In terms of rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014, the Company is required to create a Debenture Redemption Reserve (DRR) of ₹ 185 crore (previous year: ₹ 185 crore) in respect of debentures issued and outstanding as on 31 March, 2021. However, in view of losses the Company has not created such DRR entirely.

Share options outstanding reserve

This reserve contains the intrinsic value of unvested employee stock options.

Tonnage tax (utilised) and Tonnage tax reserve

Companies who opt for tonnage tax scheme are required to transfer an amount to this reserve as per the provisions of section 115VT of the Income Tax Act, 1961. In view of losses during the year, the Company has not transferred such reserve.

Securities Premium

The amount received in excess of face value of the Equity shares is recognised in Securities Premium. In case of Equity - Settled share based payment transactions, the difference between fair value on grant date and nominal value of shares is accounted as Securities Premium.

General reserve

These were transferred to the Company at the time of its demerger from Essar Shipping Ports & Logistics Limited.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to General Reserve, Tonnage Tax Reserve, Dividend, Debenture Redemption Reserves or other distribution to Shareholders.

Other Comprehensive Income

These are actuarial gains / (losses) on employee benefit obligations.

9 (A) **Borrowings**

Long - term borrowings

Particulars	Non - current		Current	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
Secured				
(a) Debentures				
11.35%, 7,000 non convertible debentures of ₹10,00,000 each, secured by first charge on sale proceeds of bulk carrier of the Company (deposited with Registrar of the Bombay High Court), six land rigs of a subsidiary, two tugs of a fellow subsidiary, mortgage of immovable property of the Company, first charge on eight barges and pledge of 49% of investment in equity shares of an associate. [refer foot note (a)] (current portion overdue)	-	-	700.00	700.00
13.10 %, 140 (previous year 140) non convertible debentures and 12.30% 205 (previous year 205) non convertible debentures of ₹10,00,000 each, secured by mortgage of immovable property.[refer foot note (b)] (2.8 crore overdue)	26.10	29.50	8.40	5.00
(b) Term loans				
(i) from banks				
Foreign currency term loans [refer foot note (c)]	-	-	55.42	58.24
(secured by first charge on two bulk carriers and its receivables) (current portion overdue)				
Rupee term loan	-	-	634.85	651.62
(secured by first charge on a very large crude carrier, two bulk carrier and their receivables) (current portion overdue) [refer foot note (d)]				
(ii) from others				
Rupee term loan	179.48	181.48	25.28	25.28
(secured by first charge on one mini bulk carrier, four tugs of an associate company, four mini bulk carriers of an unrelated entity and corporate guarantee of the ultimate parent company) (secured by first charge on a bulk carriers) (current portion overdue)				
Total secured loans [A]	**205.58**	**210.98**	**1,423.95**	**1,440.14**
Unsecured				
(a) Foreign currency convertible bonds (FCCBs) [refer note (e) below]	1,537.62	1,537.62	-	-
(b) Finance lease obligations [refer note 21 (a)]	431.54	496.55	167.09	117.39
Less: Adjusted against loan receivables (current) [refer note (f) below]	(321.16)	(266.81)	(167.09)	(117.39)

(c) Others (current portion overdue)	-	-	25.60	25.00
Total unsecured loans [B]	**1,648.00**	**1,767.37**	**25.60**	**25.00**
Total [A+B]	**1,853.58**	**1,978.35**	**1,449.55**	**1,465.14**
Less: Unamortised upfront fees	-	-	-	-
Less: Amount disclosed under the head 'other financial liabilities' (refer note 9 (C))	-	-	(1,449.55)	(1,465.14)
Total Long - term borrowings	**1,853.58**	**1,978.35**	-	-

Foot notes:-

Repayment terms:

a) Secured debentures: 2,000 Non-Convertible Debentures issued on 25 March 2010 and 5,000 debentures issued on 22 June 2009 are redeemable at the expiry of 10 years with put and call option exercisable after five years from their respective dates of issue. The Company has received notice from the debenture holder invoking the put option. A settlement proposal has been made to Debenture holder and the same is under consideration.

b) Secured debentures: 205 debentures issued on 01 February 2013 are redeemable at the expiry of 10 years from the date of issue and the holder of the debentures have an option to call after 5 years from the date of issue. 40 debentures issued on 12 October 2012 and 100 debentures issued on 22nd June 2012 were redeemable at the expiry of five years from their respective date of issue. The Principal repayment of said (40) debentures has been realigned and as per the revised repayment schecule principal payment of ₹ 2.8 crore is overdue as on 31 March 2021.

c) Secured foreign currency term loans from banks: The Company has received sanction for settlement of the dues to another bank for which amount is overdue. The management is reasonably confident to comply with the conditions of the sanction. However, the loan have been classified as current liabilities till payment is made.

d) Secured Rupee term loans from banks: Three banks invoked Standby Letter of Credits (SBLCs) for ₹ 687.37 crore in Previous Year (₹ 634.85 crore outstanding as on 31 March, 2021). The SBLCs were issued on behalf of the Company by three banks to secure the loan availed by a wholly owned overseas subsidiary. The same is overdue and has been classified as current liabilities in financial statements. The Company has received / in process of receiving sanction for settlement from respective banks to settle the loans through monetization of assets.

e) Foreign currency convertible bonds: i) FCCBs of US$ 111,428,571 (Series B) due on 24 August, 2017 and US$ 128,571,429 (Series A) due on 24 August, 2015 got extended to 24 August, 2021 (subject to the approval from Reserve Bank of India), carry interest @ 5% per annum payable semi annually. The FCCBs are convertible into 122,852,787 fully-paid equity shares of ₹ 10 each of the Company, any time upto the date of maturity, at the option of the FCCB holders at conversion price of ₹ 91.70 per share at a predetermined exchange rate of ₹ 46.94 per US$. The FCCBs, if not converted till the maturity date, will be redeemed at par.

f) Finance lease obligation: Repayable in monthly instalments starting from November 2016 to April 2027. During the year, company has offset loan receivables from wholly owned overseas subsidiary company against the finance lease payables to the same wholly owned overseas subsidiary company. An application for the same to the regulatory authority is in process.

g) The classification of loans between current liabilities and non - current liabilities continues based on repayment schedule under respective agreements and on the basis of demands raised by banks & debenture holders. Some of these lenders have not confirmed the loan balances as on the balance sheet date.

h) Interest rates: Loans availed from banks, financial institutions, NBFC's and Alternate Investment Funds carry a weighted average interest rate of 13.13% per annum (previous year: 12.75% per annum)

i) Scheduled repayments: Contractual repayments in case of loans from banks, financial institutions, NBFC's and Alternate Investment Funds are provided below:

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Not Later than one year	1,616.64	1,582.53
Later than one year but not later than five years	1,976.95	1,978.59
Later than five years	197.79	266.56

9 (B) Trade payables

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Trade payables:		
- Total outstanding dues to micro and small enterprises (refer note below)	0.27	0.03
- Total outstanding dues to creditors other than micro and small enterprises	146.08	116.67
Total trade payable	**146.35**	**116.70**

Note: Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company. The Auditors have relied on the same. The required disclosures are given below:

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Principal amount due and remaining unpaid	0.27	0.03
Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

9 (C) Other financial liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Current maturities of long-term borrowings	1,449.55	1,465.14
(including overdue at the year end ₹ 1443.95 (previous year ₹ 1460.54) crore)		
Interest accrued	1,124.72	803.77
Less: Adjusted against loans receivable from subsidiary company (current)*	(67.46)	(47.42)
(including overdue at the year end ₹ 1122.97 (previous year ₹ 800.20) crore)		
Advance from customers	5.21	5.19
Total financial liabilities	**2,512.02**	**2,226.68**

* Refer note 9(A)(f)

10 Employee benefit obligations

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Defined benefit plans	2.29	2.16
Defined contribution schemes	0.19	0.23
Total Employee benefit obligations	**2.48**	**2.39**

I. Details of retirement benefits:

The employees of the Company are members of a state – managed retirement benefit plans namely provident fund, pension fund, gratuity fund and superannuation fund operated by the Government of India. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the retirement benefit plan is to make the specified contributions.

The Company has recognised the following amounts in the Statement of Profit and Loss during the year under Contribution to staff provident and other funds. (refer note 15)

(₹ in crore)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
a) Employer's contribution to gratuity fund (offshore crew staff)	0.08	0.12
b) Group accident policy premium (all employees)	-	-
c) Employer's contribution to pension fund (offshore crew staff)	0.12	0.14
d) Employer's contribution to provident fund (offshore crew staff)	0.13	0.12
Total	**0.33**	**0.38**

II. Defined benefit plans

The company operates funded gratuity, non funded gratuity and funded provident fund plan for qualifying employees. Under the plans the employees are entitled to retirement benefits depending upon the number of years of service rendered by them subject to minimum specified number of years of service. No other post retirement benefits are provided to these employees. Contribution to provident fund (office staff and offshore officers).

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at March 31, 2021 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured using the projected unit credit method.

(A) Changes in present value of defined benefit obligations:

Particulars	Gratuity (funded) 31.03.21	Gratuity (non-funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Gratuity (non-funded) 31.03.20	Provident fund (funded) 31.03.20
Present value of defined benefit obligations as at the beginning of the year	1.57	2.19	36.05	2.01	3.96	34.16
Transfer in/(out) obligation	-	-	(0.08)	-	-	1.42
Current service cost	0.14	0.26	0.72	0.15	0.29	0.82
Current service contribution- employee	-	-	0.76	-	-	0.88
Interest cost	0.08	0.13	2.30	0.14	0.23	2.95
Other adjustments	-	-	-	-	-	(0.26)
Benefits paid	(0.38)	-	(3.96)	(0.15)	-	(2.71)
Actuarial (gain)/loss on obligations	(0.07)	(0.12)	6.21	(0.58)	(2.29)	(1.05)
Present value of defined benefit obligations as at the end of the year	**1.35**	**2.47**	**42.00**	**1.57**	**2.19**	**36.21**

(B) Changes in the fair value of plan assets:

Particulars	Gratuity (funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Provident fund (funded) 31.03.20
Fair value of plan assets at the beginning of the year	**1.60**	**42.20**	**0.37**	**34.16**
Transfer in/(out) plan assets	-	(0.08)	-	1.42
Return on plan assets	0.01	0.47	0.03	4.94
Interest income on plan assets	0.09	2.70	0.03	2.95
Contributions by the employer/ employees	0.21	1.49	1.28	1.70
Benefits paid	(0.38)	(3.96)	(0.11)	(2.71)
Other adjustments	-	-	-	(0.26)
Fair value of plan assets as at the end of the year	**1.53**	**42.82**	**1.60**	**42.20**

(C) Amount recognised in balance sheet:

Particulars	Gratuity (funded) 31.03.21	Gratuity (non-funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Gratuity (non-funded) 31.03.20	Provident fund (funded) 31.03.20
Present value of defined benefit obligations as at the end of the year	**1.35**	**2.47**	**42.00**	**1.57**	**2.19**	**36.21**
Fair value of plan assets as at end of the year	1.53	-	42.00	1.60	-	36.21
Liability recognised in the Balance Sheet (included in provisions) (note 10)	**(0.18)**	**2.47**	**-**	**(0.03)**	**2.19**	**-**

(D) Expenses recognised in the Statement of Profit and Loss:

Particulars	Gratuity (funded) 31.03.21	Gratuity (non-funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Gratuity (non-funded) 31.03.20	Provident fund (funded) 31.03.20
Current service cost	0.14	0.26	0.72	0.15	0.29	0.83
Past service cost- plan amendments	-	-	-	-	-	-
Net interest on net defined benefit liability/ (asset)	(0.01)	0.13	-	0.12	0.23	-
Total expenses recognised in the Statement of Profit and Loss (Included in Contribution to provident and other funds (note no. 15)	**0.14**	**0.40**	**0.72**	**0.27**	**0.52**	**0.83**

(E) Amount recongnised in other comprehensive income **₹ in crore**

Particulars	31.03.21	31.03.20
Experience adjustments	0.20	2.91
Total	**0.20**	**2.91**

(F) Category of plan assets:

Particulars	Gratuity (funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Provident fund (funded) 31.03.20
Administered by Life Insurance Corporation of India *	100%	-	100%	-
Government of India securities (Central and State)	-	31.00%	-	32.00%
Public sector bonds/ TDRs	-	69.00%	-	68.00%

*The Company is unable to obtain the details of plan assets from the Life Insurance Corporation of India and hence the disclosure there of is not made.

(G) Sensitivity analysis

Particulars	Gratuity (funded) 31.03.21	Gratuity (funded) 31.03.20
DBO On base assumptions	1.57	1.57
A. Discount Rate	5.60%	6.25%
1. Effect due to 0.5% increase in discount rate	(1.32)	(1.53)
2. Effect due to 0.5% decrease in discount rate	1.37	1.60
B. Salary Escalation Rate	5.00%	5.00%
1. Effect due to 0.5% increase in salary escalation rate	1.37	1.59
2. Effect due to 0.5% decrease in salary escalation rate	(1.33)	(1.54)
C. Withdrawal Rate	8.00%	8.00%
1. Effect due to 5% increase in withdrawal rate	(1.35)	(1.57)
2. Effect due to 5% decrease in withdrawal rate	1.35	1.56

Risk exposure- asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments % which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

(H) Actuarial assumptions

Actuarial valuations were done in respect of the aforesaid defined benefit plans based on the following assumptions:

(I) General assumptions:

Particulars	Gratuity (funded) 31.03.21	Gratuity (non-funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Gratuity (non-funded) 31.03.20	Provident fund (funded) 31.03.20
Discount rate (per annum)	5.60%	6.50%	6.55%	6.25%	6.55%	6.60%
Rate of return on plan assets (for funded scheme)	5.60%		8.00%	6.25%		8.00%
Withdrawal rate	8.00%	7.00%		8.00%	7.00%	
Expected returns on EPFO	-		8.25%	-		8.25%
Rate of increase in compensation	5.00%	5.00%		5.00%	5.00%	

ii) Mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Table. (Indian Assured Lives Mortality (2006-08)) mortality table.

iii) Leave policy: Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accrued till 31 December, 2014, is available for encashment on separation from the Company up to a maximum of 120 days.
iv) The contribution to be made by the Company for funding its liabilities for gratuity (funded and non funded) and towards provident fund during the financial year 2020-21 amounts to ₹ 1.42 crore.
v) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.
vi) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.
vii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.
viii) Short term compensated absences have been provided on actual basis.

11 Other current liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Statutory and other related dues	2.02	3.39
Advance received against sale consideration	331.26	331.26
Less: Adjusted against loans receivable from subsidiary company (current)*	(331.26)	(331.26)
Deferred profit on sale and lease back	5.46	6.48
Unearned revenue on services	1.85	2.35
Total other current liabilities	**9.33**	**12.22**

* Refer note 9(A)(f)

12 Revenue from operations

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Sale of services		
Fleet operating and chartering earnings	152.15	522.63
Other operating income		
Supervision / Management fees	13.77	14.81
Profit on sale of fleet	1.02	1.03
Total revenue from operations	**166.94**	**538.47**

Details of Revenue from Contract with Customers

i. Disaggregated Revenue Information for Revenue from Contract with Customers:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Income from Time Charter Contract	63.24	8.42
Income from Voyage Charter Contract	88.91	514.21
Supervision / Management fees	13.77	14.81
Profit on sale of fleet	1.02	1.03
Total	**166.94**	**538.47**

Sales by Geographical location		
India	74.99	457.07
Outside India	91.95	81.40
Total	**166.94**	**538.47**
Sale Channels		
Directly to Consumers	166.94	538.47
Through intermediaries	-	-
Total	**166.94**	**538.47**
Sales by performance obligation		
Upon Shipment/ Dispatch	166.94	538.47
Upon Delivery	-	-
Total	**166.94**	**538.47**

ii. Reconciliation between revenue with customers and contract price:

Particulars	**Year ended 31 March, 2021 ₹ in crore**	**Year ended 31 March, 2020 ₹ in crore**
Revenue as per contracted price	166.94	538.47
Adjustments		
Discounts / Rebates	-	-
Revenue from Contract with customer	**166.94**	**538.47**

iii. Reconciliation of the revenue from contracts with the amounts disclosed in the segment information

Particulars	**Year ended 31 March, 2021 ₹ in crore**	**Year ended 31 March, 2020 ₹ in crore**
Total Revenue from Contract with customers	166.94	538.47
Total Revenue as per segment (Since the Company is operating primarily in only one business of segment of fleet operating and chartering is not applicable to the company. Refer Note - 23)	(166.94)	(538.47)
Total	-	-

iv. Contract Balances

Particulars	**Year ended 31 March, 2021 ₹ in crore**	**Year ended 31 March, 2020 ₹ in crore**
Trade Receivables	12.77	31.81
Contract Assets	-	0.83
Contract Liabilities	5.21	5.19

The contract assets primarily relate to the Company's right to consideration for services provided but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

13 Other income

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Interest income		
- from banks*	0.00	0.20
- from others	1.27	1.00
Income on liquidation of subsidiary**	-	0.08
Other non operating income	7.68	11.25
Total interest income	**8.95**	**12.53**

* Amount ₹ 12,173.00

** A subsidiary (Energy Transportation International Limited, Bermuda) went into members voluntary liquidation during the year and was dissolved on 12 March, 2020. Provision for impairment of investments was made in FY 2017-18. In FY 2019-20 the said provision has been reversed (₹ 67.66 crore) and profit / loss on liquidation is transferred to statement of Profit & Loss (₹ 0.08 crore).

14 Operating expenses

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Consumption of stores and spares	11.98	11.33
Consumption of fuel, oil and water	40.82	108.27
Direct voyage expenses	10.62	151.61
Commission, brokerage and agency fees	0.97	1.21
Standing costs	10.55	16.49
Insurance, protection and indemnity club fees	9.41	11.32
Total operating expenses	**84.35**	**300.23**

15 Employee benefits expense

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Offshore staff		
Salaries, wages and bonus	35.39	33.49
Contribution to staff provident and other funds	0.96	3.42
Staff welfare expenses	4.98	4.12
Office staff		
Salaries, wages and bonus	9.39	11.27
Contribution to staff provident and other funds	0.65	1.57
Staff welfare expenses	1.25	1.53
Total employee benefits expense	**52.62**	**55.40**

16 **Finance costs**

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Interest expense		
- on bank loans	6.86	11.70
- on loans from financial Institutions	-	3.94
- on finance lease obligations	21.33	26.98
- on foreign currency convertible bonds	-	-
- on debentures	155.26	141.65
- on others	27.65	-
Loan commitment / processing charges, guarantee fees and other charges	1.06	25.60
Total finance costs	**212.16**	**209.87**

17 **Other expenses**

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Rent	0.45	2.11
Rates and taxes	0.19	0.19
Repairs and maintenance		
-buildings	0.01	0.16
-others	1.36	0.87
Legal and professional fees	3.87	11.58
Travelling and conveyance	0.23	1.14
Auditor's remuneration (refer note below)	0.41	0.45
Net loss on foreign currency translation and transaction (other than considered as finance cost)	4.78	16.96
Sundry balances written-off (Net)	0.08	1.90
Other establishment expenses	0.91	12.70
Total other expenses	**12.29**	**48.06**

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
As auditors	0.37	0.37
Reimbursement of expenses	0.01	0.01
For other services	0.03	0.07
Total	**0.41**	**0.45**

18 **Exceptional items**

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
a) Income		
Reversal of Provision for impairment of loans & advances receivable from subsidiary	0.79	-
Total	**0.79**	-

b) Expense		
Provision for impairment as per Ind AS 36 in the fair value of subsidiaries based on management assessment and valuation report	-	2,728.94
Provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment and valuation report	-	35.77
Provision for impairment of loans and advances receivable from subsidiary	-	14.71
Total exceptional items	-	**2,779.42**

19 Income taxes

Income tax expense recognised in the profit and loss account comprises of:

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Current income taxes	0.62	1.11
Income tax expense for the year	**0.62**	**1.11**
Effective tax rate (%)	0.00%	0.00%

The reconciliation of income tax expense applicable to accounting loss before income tax at statutory income tax rate to income tax expense at the Company's effective income tax rate for the year ended 31 March, 2021 and 31 March, 2020 are as follows:

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Profit / (Loss) before taxes	(297.27)	(2,952.33)
Effective tax rate in India: 34.608%*	-	-
Tax effect of adjustment for profits subject to tonnage tax regime / presumptive taxation	0.62	1.11
Income tax expense recognised in the profit and loss account	**0.62**	**1.11**

***Note:** In case of Indian shipping companies, tax expense is computed based on the gross tonnage of the vessels for the income subject to tonnage tax. In case of income not subject to tonnage tax, the same is calculated based on the taxable profits calculated in accordance with the applicable tax laws.

20 Financial Instruments

(i) Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from the previous year. The capital structure of the company consists of debt, which includes the borrowings including temporary overdrawn balance, cash and cash equivalents including short term bank deposits, equity comprising issued capital, reserves and non-controlling interests. The gearing ratio for the year is as under:

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Debt (including borrowings from related and unrelated parties and finance lease obligations)	3,791.39	3,827.69
Less: Cash and cash equivalent including short term deposits (restricted)	(13.19)	(6.38)

Less: Current Investments in Mutual Fund	(6.23)	-
Net debt (A)	**3,771.97**	**3,821.31**
Total equity (B)	**(3,046.60)**	**(2,748.92)**
Net debt to equity ratio (A/B)	**(1.24)**	**(1.39)**

(ii) Categories of financial instruments

Particulars	**As at 31 March, 2021**		**As at 31 March, 2020**	
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets:				
At amortised cost				
Cash and bank balances	13.19	13.19	6.38	6.38
Loans and other receivables	19.18	19.18	32.23	32.23
Other financial assets	440.22	440.22	444.22	444.22
At fair value through profit and loss				
Investments in Mutual Funds	6.23	6.23	-	-
Total	**478.82**	**478.82**	**482.83**	**482.83**
Financial liabilities:				
At amortised cost				
Borrowings	3,192.76	3,192.76	3,213.74	3,213.74
Finance lease payables	598.63	598.63	613.95	613.95
Trade and other payables	146.35	146.35	116.70	116.70
Other financial liabilities	1,129.93	1,129.93	808.96	808.96
Total	**5,067.67**	**5,067.67**	**4,753.34**	**4,753.34**

Fair value measurements recognised in the Balance sheet:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

-Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

-Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) Cash and short-term deposits, trade and other receivables, trade and other payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.

b) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Hierarchy

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
	Level 2	Level 2
Assets		
Investments in Mutual Fund	6.23	-

(iii) Fair value of financial instruments:

All financial assets are initially recognised at fair value of consideration paid. Subsequently, financial assets are carried at fair value or amortized cost less impairment. Where non – derivative financial assets are carried at fair value, gains and losses on re- measurement are recognised directly in equity unless the financial assets have been designated as being held at fair value through profit or loss, in which case the gains and losses are recognised directly in the standalone statement of profit and loss. Financial assets are designated as being held at fair value through profit or loss when it is necessary to reduce measurement inconsistency for related assets and liabilities. All financial liabilities other than derivatives are initially recognised at fair value of consideration received net of transaction costs as appropriate (initial cost) and subsequently carried at amortised cost.

(iv) Financial risk management objectives:

The Company's principal financial liabilities comprise of loan from banks and financial institutions, finance lease obligations, overdrafts and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

(v) Market risk:

(a) Foreign currency risk:

Foreign currency risk mainly arises from transactions undertaken by an operating unit denominated in currencies other than its functional currency. Exposure to foreign currency risk is partly mitigated by natural hedges of matching revenues and costs.

The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

	As at 31 March, 2021		As at 31 March, 2020	
Particulars	₹ in crore	₹ in crore	₹ in crore	₹ in crore
	Financial assets	Financial Liabilities	Financial assets	Financial Liabilities
United States Dollars (US$)	925.60	810.57	789.47	793.68
Currencies other than INR & US$	2.16	3.43	0.76	2.75
Total	**927.76**	**814.00**	**790.23**	**796.43**

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the companies in the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
US$ impact (impact on profit before tax)	5.69	(0.31)

(b) Interest rate risk:

The Company is exposed to interest rate risk as entities in the Company borrow funds at floating interest rates. The interest rate risk is managed by monitoring the Company's level of borrowings periodically and structuring its borrowings on varying maturities and interest rate terms. The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis:

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended 31 March, 2021 would increase/decrease by ₹ 6.99 crore (previous year ₹ 7.23 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

(c) Commodity price risk:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given

(d) Other price risk:

The Company is not exposed to any significant equity price risks arising from equity investments, as on 31 March 2021. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Equity price sensitivity analysis:

There is no exposure to equity price risks as at the reporting date or as at the previous reporting date.

(vi) Credit risk:

The credit risk is primarily attributable to the Company's trade and other receivables and guarantees given by the Company on behalf of others. The amounts presented in this standalone statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment. The maximum related party credit exposure at 31 March, 2021 on account of carrying amount of advances /deposit, trade and other receivables and guarantees is disclosed in note 27 on related party transactions. Based on the creditworthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated.

Cash and cash equivalents are held with reputable and credit-worthy banks.

(vii) Liquidity risk:

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations, public offerings and refinancing of current borrowings.

Liquidity table:

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

Particulars	**As at 31 March, 2020**			
	Not later than one year	**Later than one year but not later than five years**	**More than five years**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
Financial instruments:				
Borrowings	1,465.14	1,748.60	-	3,213.74
Finance lease payables	117.39	229.99	266.56	613.94
Trade and other payables	116.70	-	-	116.70
Other financial liabilities	808.96	-	-	808.96
Total financial liabilities	**2,508.19**	**1,978.59**	**266.56**	**4,753.34**

Particulars	**As at 31 March, 2021**			
	Not later than one year	**Later than one year but not later than five years**	**More than five years**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
Financial instruments:				
Borrowings	1,449.55	1,743.21	-	3,192.76
Finance lease	167.09	233.75	197.79	598.63
Trade and other payables	146.35	-	-	146.35
Other financial liabilities	1,129.93	-	-	1,129.93
Total financial liabilities	**2,892.92**	**1,976.96**	**197.79**	**5,067.67**

21 Leases

Details of leasing arrangements:

a) Finance leases : Company as a lessee

Particulars	**Not later than one year**	**Later than one year but not later than five years**	**More than five years**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
As at 31 March, 2020				
Future minimum lease payments	128.74	262.95	273.59	665.28
Unmatured finance charges	11.35	32.96	7.03	51.34
Present value of minimum lease payments	**117.39**	**229.99**	**266.56**	**613.95**
As at 31 March, 2021				
Future minimum lease payments	186.21	286.99	203.58	676.78
Unmatured finance charges	19.12	53.25	5.79	78.16
Present value of minimum lease payments	**167.09**	**233.74**	**197.79**	**598.62**

b) Operating leases: Company as a lessee

The company has not entered into any non-cancellable operating lease.

22 Contingent liabilities (to the extent not provided for)

a) Claims against the company not acknowledged as debts	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Guarantee given by a bank against disputed custom duty demand of ₹ 27.40 crore by DGFT	30.00	30.00
Income tax demand- appeal filed by the company with Commissioner of Income tax - Appeals	138.38	138.38
Income tax demand - appeal filed by the Income tax department in the High court of Bombay against the order of Appellate Tribunal in favour of the Company	7.29	7.29
Compounding fees	-	17.27

b) Others	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Corporate guarantees on behalf of subsidiaries & associates	1,073.99	1,132.38

23 Segment reporting

a) Business segment

The Company has only one reportable primary business segment of fleet operating and chartering.

b) Geographical segment

The Company's fleet operations are managed on a worldwide basis from India. The revenue from operations are identified as geographical segment based on location of customers:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
India	75.37	457.07
Singapore	22.05	2.37
Cyprus	12.14	11.75
United Arab Emirates	19.84	21.06
United Kingdom	-	55.75
Taiwan	21.70	-
Kuwait	9.84	-
Denmark	2.25	-
Bangladesh	3.11	-
Total	**166.30**	**548.00**

14% (previous year 66%) of the operating income of the company was derived from a single customer based in India. The company provides fleet operating to the said customer.

The main operating assets represent floating fleet, which are not identifiable to any geographical location.

24 Earning per share

The calculation of the basic and diluted earnings per share is based on the following data:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Loss for the year before exceptional items	(298.06)	(172.91)
Loss for the year after exceptional items	(297.89)	(2,953.44)
Equity shares at the beginning of the year (no's)	206,976,072	206,976,072
Equity shares issued during the year	-	-
Equity shares at the end of the year (no's)	206,976,072	206,976,072
Weighted average equity shares for the purpose of calculating basic earnings per share (no's)	206,976,072	206,976,072
Weighted average equity shares for the purpose of calculating diluted earnings per share (no's)	206,976,072	206,976,072
Earning per share before exceptional items - basic (face value ₹10/- each)	(14.43)	(8.41)
Earning per share before exceptional items - diluted (face value ₹10/- each)	(14.43)	(8.41)
Earning per share after exceptional items - basic (face value ₹10/- each)	(14.39)	(142.69)
Earning per share after exceptional items - diluted (face value ₹10/- each)	(14.39)	(142.69)

Note:

Equity shares to be issued upon conversion of FCCB and exercise of Employee Stock Option Scheme have not been considered for the purpose of calculating of weighted average number of diluted equity shares, as they are anti dilutive.

25 Disclosure under Regulation 34(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Amount Outstanding	Maximum amount Outstanding	Amount Outstanding	Maximum amount Outstanding
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Subsidiary Companies;				
OGD Services Limited	19.91	20.71	14.71	19.14
Essar Shipping DMCC	886.97	886.97	762.88	762.88

26 Employee Stock Option Scheme

In the Annual general meeting held on September 9, 2011, the shareholders approved the issue of Employee Stock options under the Scheme titled "Essar Shipping Employee Stock options Scheme -2011" (hereafter named ESOS A).

The ESOS A allows the issue of options to employees and executive Directors of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the Scheme, the Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option shall be determined by the Compensation committee as per the said scheme. The options granted vest in a graded manner over a period of 5/4/3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 7 years from the date of vesting. The Company has issued the said ESOS in two tranches on November 2, 2011 and February 8, 2012 at an exercise price of ₹ 22.30 each, the market price of the shares on the grant date of the ESOS was ₹ 22.30 per share and ₹31.30 per share respectively.

The difference between the market price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

27 **Related party relationships, transactions and balances: (as per IND-AS 24)**

a) Holding companies

i) Essar Global Fund Limited , Cayman Island, ultimate holding company
ii) IDH International Drilling Holdco Limited, Cyprus, intermediate holding company
iii) Essar Shipping Mauritius Holdings Limited, Mauritius, immediate holding company

b) Subsidiaries / Step down subsidiaries

i) Energy Transportation International Limited, Bermuda (till 12.03.2020)
ii) Energy II Limited, Bermuda
iii) OGD Services Holding Limited, Mauritius (formely known as Essar Oilfields Services Limited)
iv) OGD Services Limited, India (formerly known as Essar Oilfield Services India Limited)
v) Essar Shipping DMCC, Dubai
vi) Essar Oilfields Middle East DMCC, Dubai
vii) Starbit Oilfields Services India Limited, India

c) Associates

i) Varada Drilling One Pte. Limited, Singapore
ii) Varada Drilling Two Pte. Limited, Singapore
iii) Arkay Logistics Limited, India

d) Key management personnel

i) Mr. Ranjit Singh (President & CEO)
ii) Capt. Rahul Bhargava (Executive Director till 30.09.2020)
iii) Mr. Subimal Mahato (Wholetime Director from 30.09.2020)
iv) Mr. P.K Srivastava (Non- Executive Director till 08.11.2020)
v) Mr. N. Srinivasan (Non- Executive Director)
vi) Capt. B. S. Kumar (Non- Executive Director)
vii) Mr. Ketan Shah (Chief Financial Officer)
viii) Ms. Jyotsna Gupta (Company Secretary)
ix) Mr. Ramesh Krishnan (Non- Executive Director from 23.12.2019 till 22.05.2020)
x) Mr. Rajesh Desai (Non- Executive Director from 30.09.2020)
xi) Ms. Sunita Kotian (Non- Executive Director from 12.02.2020)
xii) Mr. Sumit Agarwal (Additional Director from 08.02.2021)

e) Fellow subsidiaries where there have been transactions

i) Essar Ports Limited
ii) Essar Bulk Terminal Limited
iii) Essar Shipping (Cyprus) Limited
iv) Essar Steel India Limited (till 15.11.2019)
v) Aegis Limited
vi) Essar Steel Metal Trading Limited
vii) AGC Networks Limited
viii) Essar Power (Orissa) Limited

f) Trust

i) Essar Shipping Staff Provident Fund Trust
ii) Essar Shipping Employee Stock Options Trust

g) Details of transactions with related parties during the year ₹ in crore

Nature of transactions	Holding Companies / Promoter group companies		Subsidiaries / Step down subsidiaries		Fellow subsidiaries / Trusts / Associates		Managerial remuneration / Sitting fees		Total	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
INCOME										
Revenue from operations										
Essar Steel India Limited	-	-	-	-	-	262.14	-	-	-	**262.14**
Essar Shipping DMCC	-	-	1.43	1.06	-	-	-	-	**1.43**	**1.06**
Essar Shipping (Cyprus) Limited	-	-	-	-	12.14	11.75	-	-	**12.14**	**11.75**
Essar Power (Orissa) Limited	-	-	-	-	0.09	0.08	-	-	**0.09**	**0.08**
Total	**-**	**-**	**1.43**	**1.06**	**12.23**	**273.96**	**-**	**-**	**13.66**	**275.03**
Guarantee commission received										
Essar Shipping DMCC	-	-	-	11.06	-	-	-	-	-	**11.06**
Total	**-**	**-**	**-**	**11.06**	**-**	**-**	**-**	**-**	**-**	**11.06**
Income on liquidation of subsidiary										
Energy Transportation International Limited	-	-	-	0.08	-	-	-	-	-	**0.08**
Total	**-**	**-**	**-**	**0.08**	**-**	**-**	**-**	**-**	**-**	**0.08**
Managerial remuneration #										
Ranjit Singh	-	-	-	-	-	-	1.09	0.58	**1.09**	**0.58**
Capt Rahul Bhargava	-	-	-	-	-	-	0.62	0.60	**0.62**	**0.60**
Ketan Shah	-	-	-	-	-	-	0.87	0.52	**0.87**	**0.52**
Jyotsna Gupta	-	-	-	-	-	-	0.29	0.14	**0.29**	**0.14**
Subimal Mahato	-	-	-	-	-	-	0.44	-	**0.44**	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**3.30**	**1.84**	**3.30**	**1.84**
Sitting fees paid to Non-Executive Directors										
Director sitting fees	-	-	-	-	-	-	0.21	0.16	**0.21**	**0.16**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**0.21**	**0.16**	**0.21**	**0.16**
Direct Voyage expenses										
Essar Shipping DMCC	-	-	-	4.63	-	-	-	-	-	**4.63**
Arkay Logistics Limited	-	-	-	-	0.03	0.65	-	-	**0.03**	**0.65**
Essar Bulk Terminal Limited	-	-	-	-	0.78	0.26	-	-	**0.78**	**0.26**
Total	**-**	**-**	**-**	**4.63**	**0.81**	**0.91**	**-**	**-**	**0.81**	**5.54**

Repairs & Maintenance Charges										
Essar Steel India Limited	-	-	-	-	-	0.13	-	-	-	**0.13**
AGC Networks Limited	-	-	-	-	0.75	0.01	-	-	**0.75**	**0.01**
Contribution to staff provident fund										
Essar Shipping Staff Provident Fund Trust	-	-	-	-	2.06	1.66	-	-	**2.06**	**1.66**
Interest on finance lease obligations										
Essar Shipping DMCC	-	-	20.09	25.69	-	-	-	-	**20.09**	**25.69**
Provision for Impairment										
Energy II Limited	-	-	-	175.36	-	-	-	-	-	**175.36**
OGD Services Holdings Limited	-	-	-	1,924.58	-	-	-	-	-	**1,924.58**
OGD Services Limited	-	-	-	643.71	-	-	-	-	-	**643.71**
Arkay Logistics Limited	-	-	-	-	-	35.77	-	-	-	**35.77**
Reversal of Provision for Impairment										
OGD Services Limited	-	-	0.79	-	-	-	-	-	**0.79**	**-**
Loans & Advances Given										
Essar Shipping DMCC	-	-	-	722.72	-	-	-	-	-	**722.72**
OGD Services Limited			6.00	-						**6.00**

does not include the amount payable towards gratuity and compensated absences by the Company, as the same is calculated by the Company as a whole on actuarial basis.

h) Outstanding balances with related parties:

Nature of transactions	**Holding Companies / Promoter group companies**		**Subsidiaries / Step down subsidiaries**		**Fellow subsidiaries / Trusts / Associates**		**Managerial remuneration / Sitting fees**		**Total**	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
Trade and other receivables										
Essar Shipping DMCC	-	-	0.44	0.90	-	-	-	-	**0.44**	**0.90**
Essar Shipping (Cyprus) Limited	-	-	-	-	9.81	2.33	-	-	**9.81**	**2.33**
Essar Ports Limited	-	-	-	-	-	0.13	-	-	**-**	**0.13**
Total	**-**	**-**	**0.44**	**0.90**	**9.81**	**2.46**	**-**	**-**	**10.25**	**3.37**
Loans and advances (including interest accrued)										
OGD Services Limited	-	-	6.00	14.71	-	-	-	-	**6.00**	**14.71**
Essar Shipping DMCC	-	-	886.97	762.88	-	-	-	-	**886.97**	**762.88**
IDH International Drilling Holdco Limited	0.47	0.48	-	-	-	-	-	-	**0.47**	**0.48**
Essar Shipping Employee Stock Options Trust	-	-	-	-	0.41	0.41	-	-	**0.41**	**0.41**
Total	**0.47**	**0.48**	**892.97**	**777.59**	**0.41**	**0.41**	**-**	**-**	**893.85**	**778.48**

Finance lease obligation										
Essar Shipping DMCC	-	-	598.63	613.95	-	-	-	-	**598.63**	**613.95**
Advance received from customer										
Arkay Logistics Limited	-	-	-	-	4.50	4.50	-	-	**4.50**	**4.50**
Advance received against sale of vessel										
Essar Shipping DMCC	-	-	331.26	331.26	-	-	-	-	**331.26**	**331.26**
Intercorporate deposits payable										
Essar Steel Metal Trading Limited	-	-	-	-	64.48	183.16	-	-	**64.48**	**183.16**
Trade Payables										
Arkay Logistics Limited	-	-	-	-	0.58	1.19	-	-	**0.58**	**1.19**
Energy II Limited	-	-	-	-	-	-	-	-	-	-
Essar Shipping Staff Provident Fund Trust	-	-	-	-	0.10	0.14	-	-	**0.10**	**0.14**
Essar Bulk Terminal Limited	-	-	-	-	3.72	2.99	-	-	**3.72**	**2.99**
AGC Networks Limited	-	-	-	-	0.84	0.53	-	-	**0.84**	**0.53**
Essar Shipping DMCC					5.79	-			**5.79**	
Essar Shipping (Cyprus) Limited	-	-	-	-	16.40	22.03	-	-	**16.40**	**22.03**
Total	**-**	**-**	**-**	**-**	**27.43**	**26.88**	**-**	**-**	**21.64**	**26.88**
Interest accrued on finance lease obligation										
Essar Shipping DMCC		-	67.46	47.36	-	-	-	-	**67.46**	**47.36**
Guarantees given on behalf of others										
OGD Services Limited	-	-	1,073.99	876.07	-	-	-	-	**1,073.99**	**876.07**
OGD Services Holding Limited	-	-	29.22	30.15	-	-	-	-	**29.22**	**30.15**
Varada Drilling One Pte. Limited & Varada Drilling Two Pte. Limited	-	-	-	-	219.16	226.16	-	-	**219.16**	**226.16**
Total	**-**	**-**	**1,103.21**	**906.22**	**219.16**	**226.16**	**-**	**-**	**1,322.37**	**1,132.38**

28 Going Concern

As at 31 March, 2021, the Company's Current Liabilities exceed its Current Assets by ₹ 2,142.33 crore, further there are accumulated losses of ₹ 8,264.54 crore as against capital and reserves of ₹ 5,217.94 crore and the company has also defaulted on several loans and recovery actions have been initiated by the lenders. Company has received notices from Debts Recovery Tribunal / National Compnay Law Tribunal for enforcement of Guarantee given by the company on behalf of a subsidiary company. The lenders have also filed similar recovery applications against the said subsidiary. The following steps are being taken by the management to remedy the position;

a) Company has proposed settlement / restructuring plan with some of the lenders through monetisation of some assets and management is confident of getting positive outcome from the lenders.

b) The Subsidiary company has received settlement plan from one of the lenders and they have successfully settled the loan as on balance sheet date. Management of subsidiary has proposed the settlement / restructuring plan with balance lenders based on the revenue generation plan and management is confident of getting positive outcome from the lenders.

c) The company has formulated the business plan to turn profitable in the coming years.

Based on the above, the management feels that the company will in the future be able to turn around, start making profits and be able to meet its liabilities (including statutory liabilities) as and when they become due. The financial statements are accordingly prepared on going concern basis.

29 Impact of COVID-19

The impact of the COVID-19 continued in FY 2020-21 with the spike in cases. Due to countrywide lockdown, it impacted port and cargo operations leading to delays in berthing of vessels, clearance of documents and movement of manpower and material but we were able to manage deployment of the bulker vessels during the quarter. 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.

30 The Company got admitted to Corporate Insolvency Resolution Process due to invocation of corporate guarantee on account of default by the Subsidiary Company. However, subsequently post settlement with the lender after the year end these proceedings have been withdrawn against the Company.

31 Expenditure on corporate social responsibility (CSR)

In pursuance of the provisions of the Companies Act, 2013, The Company is required to spend two percent of the average net profits for the three immediately preceding financial years towards CSR activities. Due to the occurrence of net losses in the three preceding financial years, the Company is not required to spend any amount on CSR.

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391
Mumbai
24 June, 2021

For and on behalf of the Board

Capt. Subimal Mahato
Director
(DIN: 08867107)

N. Srinivasan
Director
(DIN: 0004195)

Ketan Shah
Chief Financial Officer

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

Mumbai
24 June, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Essar Shipping Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements 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 associate and jointly controlled entity comprising of the Balance Sheet as at 31 March, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Cash Flows and Consolidated Statement Of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate and jointly controlled entity as at 31 March, 2021 and their consolidated loss (including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 27 to the consolidated financial statements, which indicates that as on 31 March, 2021 the Group has accumulated losses of Rs. 10,221.96 crore as against capital and reserves of Rs. 5,408.82 crore. The Group's Holding Company has also defaulted on several loans and some of the lenders of the Holding company have filed application before the High court / National Company Law Tribunals for recovery of overdue amounts and / or enforcement of guarantees. The Group's current liabilities exceeds its current assets as on 31 March, 2021. This indicates that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. The Group however has represented that, as mentioned in Note No. 27 to the consolidated financial statements, necessary steps have been taken to meet liabilities as and when they become due for payment.

We draw attention to Note No. 29 of the consolidated financial statements wherein the Holding Company got admitted to Corporate Insolvency Resolution Process due to invocation of corporate guarantee on account of default by a Subsidiary Company. However, subsequently, post settlement with the lender after the date of the balance sheet these proceedings have been withdrawn against the Holding Company. A Subsidiary Company however, is still to fulfil the settlement terms and subject to final settlement, the impact of Corporate Insolvency Resolution Process remains uncertain.

Our opinion on the consolidated financial statements is not modified for the above matter.

Emphasis of Matter

a. We draw attention to Note No. 4(E) of the consolidated financial statements wherein the Group had recognized revenue in the previous year amounting to Rs. 369.81 crore (including accrued interest upto 31 March 2018) based on compensation granted to the Group by arbitration proceedings for breach of contract terms by a charterer and the same remains outstanding as on 31 March, 2021. The Group is confident of full recovery of its claims. However pending conclusion of the said proceedings, no further interest is accrued on the same;

b. We draw attention to Note No. 9(A) of the Consolidated Financial statements which states that the Holding Company had issued standby letter of credits (SBLCs) with three banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked during the previous year. The Group is taking up matter with respective bank to settle the loans through monetization of assets;

c. In case of certain subsidiaries, the respective auditors have pointed out that the concerned financial statements have been prepared on going concern basis, in view of the representation by the management that it is confident of restructuring its borrowings to address cash flow mismatches.

Our Opinion is not modified in respect of the above matters and in case of point (a) and (b) above our opinion was not modified In respect of previous year as well.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going Concern paragraph, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Auditor's Response
Going concern As on 31 March, 2021 the Group has accumulated losses of Rs. 10,221.96 crore as against capital and reserves of Rs. 5,408.82 crore. The Group has also defaulted on several loans and lenders have initiated recovery proceedings as mentioned in Note No. 27 of the consolidated financial statements. The Group's current liabilities exceeds its current assets as on March 31, 2021 (Refer Note No. 27 of consolidated financial statements). All these factors indicates that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.	Our audit included but was not limited to the following activities: 1. Requested and obtained external confirmation of balances from each of these lenders to confirm the balance outstanding as on 31 March, 2021; 2. Assessing management's steps to be taken to meet liabilities as and when they become due for payment; 3. Obtained and evaluated the Groups plans to repay these loans (with interest) through communication letters and the extent of steps taken for the same; 4. Obtaining and evaluating various communications with the lenders for the one-time settlement proposed by the company. We have obtained supporting evidence for the key assumptions made and the disclosures in Note No. 9(A) of the consolidated financial statements.
Evaluation of Litigation matters The Group has certain significant open legal proceedings under arbitration for various matters with the Lenders and Customers, continuing from earlier years (Refer Note No. 22 and 27 of consolidated financial statements)	Our audit included but was not limited to the following activities: 1. Assessing management's position through discussions with the external legal opinions obtained by the Group (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss; 2. Discussion with the management on the development in these litigations during the year ended 31 March, 2021; 3. Review of the disclosures made by the Company in the consolidated financial statements in this regard; 4. Obtained representation letter from the management on the assessment of these matters (including the basis of the judgement).

Information other than the consolidated financial statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Annual Report including its annexures, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements 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 statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 management 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 are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, 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 statements, 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 on whether the Holding Company has adequate internal financial control systems 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 management.
- Conclude on the appropriateness of management's 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, 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 statements 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 auditors' report. However, future events or conditions may cause the Group, 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 statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, its associate and jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs. 161.41 crore as at 31 March, 2021, and total revenues of Rs. 13.96 crore, and total comprehensive income (comprising of net loss after tax and other comprehensive income) of Rs. 79.16 crore for the year ended on 31 March, 2021, which have been audited by other auditor whose financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such other auditor and the procedures performed by us are as stated in paragraph above.

(b) The accompanying consolidated financial statements also includes unaudited financial statements and other unaudited financial information in respect of one step-down subsidiary, one associate and one jointly controlled entity, whose financial statements and other financial information reflect Group's share of total assets of Rs. 4.91 crore as at 31 March, 2021, Group's share of total revenue of Rs. 0.07 crore and Group's share of total net loss after tax of Rs. 1.36 crore for the year ended on 31 March, 2021. 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 statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, associate and jointly controlled entity is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these unaudited financial statements and other unaudited financial information are not material to the Group.

(c) Two associate companies having an investment value of Rs. 62.54 crore and One Subsidiary have not been consolidated since they have been liquidated.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the unaudited financial statements and other unaudited financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding company, its subsidiaries included in the group and associate companies and jointly controlled entity so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules issued there under;

(e) The matters described under "Emphasis of Matter" paragraph and the Going Concern matter described under the "Material Uncertainty Related to Going Concern" paragraph, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021, taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India, none of the directors of the Group's companies, its associate and jointly controlled entity, incorporated in India, is disqualified as on March 31, 2021 from being appointed as directors in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **'Annexure A'**. Our report is modified on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Holding Company, its subsidiary, its associate and jointly controlled entity incorporated in India to its directors during the year is in accordance with requisite approvals mandated by the provisions of Section 197, read with Schedule V of the Act except, in case of one of the step-down subsidiary company, which has paid/provided for managerial remuneration in excess of the provisions of Section 197 read with Schedule V to the Companies Act, 2013. Requisite approval for the same will be obtained in the ensuing general meeting;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a)	The consolidated financial statements disclose the impact of pending litigations as at 31 March , 2021 on the consolidated financial position of the Group, its associate and jointly controlled entity - Refer Note No. 22 to the consolidated financial statements;
b)	The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
c)	There were no amounts that were required to be transferred to the investor education protection fund by the Holding Company, its subsidiary company, associate and jointly controlled entity, incorporated in India.
(d)	i) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group, its associate and jointly controlled entity to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group, its associate and jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
	ii) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Group, its associate and jointly controlled entity from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
	iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

For **C N K & Associates LLP**

Chartered Accountants

Firm registration number: 101961 W/W-100036

Himanshu Kishnadwala

Partner

Membership number: 37391

UDIN: 21037391AAAADK3853

Place: Mumbai

Date: 24 June, 2021

Annexure – A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of **Essar Shipping Limited** ("the Holding Company') for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, its associate and jointly controlled entity, incorporated in India as of that date.

In our opinion and to the best of our information and according to the explanations given to us, except In case of a step down subsidiary, although mitigating controls exist, the preventive controls with respect to inventory module needs to be strengthened, the Holding Company and its subsidiary companies, incorporated in India have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2021, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate and jointly controlled entity, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to consolidated financial statements criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiary company and its associate, incorporated in India, internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration Number: 101961 W/W-100036

Himanshu Kishnadwala

Partner

Membership Number: 37391

UDIN: 21037391AAAADK3853

Place: Mumbai

Date: 24 June, 2021

Consolidated Balance Sheet as at 31 March, 2021

(₹ in crore)

Particulars	Note no.	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
1 Non-current assets			
(a) Property, plant and equipments	2 (A)	883.66	1,002.81
(b) Capital work- in- progress	2 (A)	16.41	10.80
(c) Investments	3	0.00	0.00
(d) Financial assets			
- Other financial assets	4 (E)	0.50	0.49
(e) Other non-current assets	5	9.07	15.78
Total non-current assets		**909.64**	**1,029.88**
2 Current assets			
(a) Inventories	6	20.38	21.65
(b) Financial assets			
i. Investments in Mutual Funds	4 (A)	6.23	-
ii. Trade and other receivables	4 (B)	30.32	71.99
iii. Cash and bank balances	4 (C)	27.58	44.30
iv. Loans	4 (D)	466.66	464.76
v. Other financial assets	4 (E)	511.06	497.42
(c) Other current assets	7	112.17	215.44
Total current assets		**1,174.40**	**1,315.56**
TOTAL ASSETS		**2,084.04**	**2,345.44**
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	8 (A)	206.98	206.98
Other Equity			
Reserves and surplus	8 (B)	(5,020.12)	(4,428.44)
Non-controlling Interests	8 (B)	263.96	261.46
Total equity		**(4,549.18)**	**(3,960.00)**
Liabilities			
2 Non-current liabilities			
Financial liabilities			
Borrowings	9 (A)	1,743.21	1,974.95
Total non-current liabilities		**1,743.21**	**1,974.95**
3 Current liabilities			
Financial liabilities			
i. Trade payables			
- Total outstanding dues to micro and small enterprises	9 (B)	7.87	10.30
- Total outstanding dues to creditors other than micro and small enterprises	9 (B)	254.30	250.60
ii.Other financial liabilities	9 (C)	4,575.81	4,013.37
Employee benefit obligations	10	2.70	2.58
Current tax liabilities	11 (A)	28.56	26.48
Other current liabilities	11 (B)	20.77	27.16
Total current liabilities		**4,890.01**	**4,330.49**
Total liabilities		**6,633.22**	**6,305.44**
TOTAL EQUITY AND LIABILITIES		**2,084.04**	**2,345.44**

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 37391
Mumbai
24 June, 2021

Capt. Subimal Mahato
Director
(DIN: 08867107)

Ketan Shah
Chief Financial Officer

Mumbai
24 June, 2021

N. Srinivasan
Director
(DIN: 0004195)

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

Consolidated Statement of Profit and Loss for the year ended 31 March, 2021

(₹ in crore)

Particulars	Note no.	Year ended 31 March, 2021	Year ended 31 March, 2020
Income:			
Revenue from operations	12	473.03	1,344.15
Other income	13	35.13	150.15
Total income		**508.16**	**1,494.30**
Expenses:			
Operating expenses	14	345.06	898.90
Employee benefits expense	15	72.86	111.56
Finance costs	16	488.69	432.58
Depreciation	2 (A)	173.76	172.25
Other expenses	17	24.32	73.09
Total expenses		**1,104.69**	**1,688.38**
Profit / (loss) before exceptional items and tax		**(596.53)**	**(194.08)**
Exceptional items	18		
Income		-	-
Expenses		(23.41)	(1,491.66)
Profit / (loss) after exceptional items and before tax		**(619.94)**	**(1,685.74)**
Current tax	19	(0.62)	(1.11)
Profit / (loss) for the year before share in loss of associates		**(620.56)**	**(1,686.85)**
Share in profit / (loss) of associate		-	-
Profit / (loss) for the year after exceptional items		**(620.56)**	**(1,686.85)**
Attributable to:			
Shareholders of the parent		(620.41)	(1,681.50)
Non controlling interests		(0.15)	(5.35)
Profit / (loss) for the year after exceptional items		**(620.56)**	**(1,686.85)**
Items that will not be reclassified subsequently to profit and loss account			
Actuarial gain / (loss) on remeasurement of the Defined Benefit Plans		(0.10)	2.84
Total other comprehensive gain / (loss) for the year		**(0.10)**	**2.84**
Total comprehensive profit / (loss) for the year		**(620.66)**	**(1,684.01)**
Attributable to:			
Shareholders of the parent		**(620.51)**	**(1,678.66)**
Non controlling interests		**(0.15)**	**(5.35)**
Earnings per share before exceptional items (EPS)			
Basic (in ₹)	24	(28.85)	(9.43)
Diluted (in ₹)	24	(28.85)	(9.43)
Earnings per share after exceptional items (EPS)			
Basic (in ₹)	24	(29.98)	(81.50)
Diluted (in ₹)	24	(29.98)	(81.50)

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

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Himanshu Kishnadwala
Partner
Membership No. 37391
Mumbai
24 June, 2021

Ketan Shah
Chief Financial Officer

Mumbai
24 June, 2021

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

Consolidated Statement of Cash Flows for the year ended 31 March, 2021

(₹ in crore)

Particulars	Year ended 31 March, 2021 Audited	Year ended 31 March, 2020 Audited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(619.94)	(1,685.74)
Adjustments for :		
Exceptional Items		
- Provision / Impairment for doubtful receivables / advances	23.41	71.33
- Provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment and valuation report	-	35.77
- Impairment of fixed assets / capital work-in-progress	-	664.46
- Impairment of goodwill	-	720.10
Gain on sale/Fair Vale of current investment measured at FVTPL	(0.28)	-
Depreciation	173.76	172.25
Finance costs	488.69	432.58
Interest income	(26.95)	(142.13)
Unrealised foreign exchange gain	(0.06)	(6.53)
Operating profit before working capital changes	**38.63**	**262.09**
Changes in working capital:		
(Increase) / Decrease in inventories	1.27	8.36
(Increase) / Decrease in trade receivables, loans and advances and other assets	73.69	42.82
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(75.18)	(84.33)
Cash generated from operations	**38.41**	**228.94**
Income taxes refunded / (paid), net	58.15	(18.66)
Net cash generated from operating activities	**96.56**	**210.28**
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment of capital expenditure on Property, Plant and Equipment including capital advances and Capital	(55.27)	(33.65)
(Purchase) / Sale of Current Investments (Net)	(5.95)	0.01
Loans given	(1.89)	-
Security deposit received/(refunded)	0.60	-
Proceeds/(Investment) in Bank deposits	4.67	27.57
Expenditure on Investments	-	41.98
Interest received	4.18	142.13
Net cash (used in) / generated from investing activities	**(53.66)**	**178.04**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from intercorporate deposits	15.11	83.68
Repayment of intercorporate deposits	(14.10)	-
Repayment of long-term loans	(56.59)	(129.74)
Finance costs paid	(30.64)	(216.65)
Net cash used in financing activities	**(86.22)**	**(262.71)**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(43.32)**	**125.61**
Foreign currency translation reserve	31.28	(103.23)
Cash and cash equivalents at the beginning of the year	39.12	16.74
Cash and cash equivalents at the end of the year	**27.08**	**39.12**

Note:

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Cash and cash equivalents as per cash flow statement	27.08	39.12
Add: margin money deposits not considered as cash and cash equivalents as per Ind AS-7	0.50	5.18
Cash and bank balances (Restricted and Unrestricted)	**27.58**	**44.30**

Notes to the statement of cash flows and disclosure of non cash transactions:

1) The statement of cashflow is prepared in accordance with he format prescribed as per Ind-AS 7

2) In Part-A of Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in bracket indicate cash outflows.

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

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For C N K & Associates LLP
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Firm Registration No. : 101961 W/W-100036

Capt. Subimal Mahato
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24 June, 2021

Ketan Shah
Chief Financial Officer

Mumbai
24 June, 2021

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

Consolidated Statement of Changes in Equity for the year ended 31 March, 2021

A. Equity Share Capital

Particulars	Equity Share Capital (₹ in crore)
Balance as on 1 April, 2019	**206.98**
Additions during the year	-
Balance as on 31 March, 2020	**206.98**
Additions during the year	-
Balance as on 31 March, 2021	**206.98**

B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus									Non-controlling Interests	Total
	Securities Premium	Retained Earnings	Debenture Redemption Reserve	Share options outstanding reserve	Tonnage tax (utilised) reserve	Tonnage tax reserve	General reserve	Foreign currency translation reserve	Other comprehensive income		
Balance as on 01 April, 2019	56.07	(7,924.26)	101.17	0.61	33.00	68.00	4,799.22	747.37	2.29	261.80	**(1,854.75)**
Additions during the year	4.75	-	-	-	-	-	-	(642.30)	-	-	(637.54)
Share of profit of associate	-	-	-	-	-	-	-	-	-	-	-
Profit / (loss) of non-controlling interest	-	-	-	-	-	-	-	-	-	(0.34)	(0.34)
Profit / (loss) for the year	-	(1,677.19)	-	-	-	-	-	-	2.84	-	(1,674.34)
Balance as on 31 March, 2020	**60.82**	**(9,601.45)**	**101.17**	**0.61**	**33.00**	**68.00**	**4,799.22**	**105.07**	**5.13**	**261.46**	**(4,166.97)**
Additions during the year	-	-	-	-	-	-	-	28.91	-	-	28.91
Share of profit of associate	-	-	-	-	-	-	-	-	-	-	-
Profit / (loss) of non-controlling interest	-	-	-	-	-	-	-	-	-	2.50	2.50
Profit / (loss) for the year	-	(620.51)	-	-	-	-	-	-	(0.09)	-	(620.60)
Balance as on 31 March, 2021	**60.82**	**(10,221.96)**	**101.17**	**0.61**	**33.00**	**68.00**	**4,799.22**	**133.98**	**5.04**	**263.96**	**(4,756.16)**

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

Himanshu Kishnadwala
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Chief Financial Officer

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N. Srinivasan
Director
(DIN: 0004195)

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

Notes forming part of the consolidated financial statements for the year ended 31 March, 2021

Corporate information

Essar Shipping Limited ("the Company" or "ESL") was incorporated in September 2010 and is listed on the Bombay Stock Exchange and National Stock Exchange in India. The Company is mainly engaged in fleet operating and chartering activities and operates in international and coastal voyages. The Company has also directly and/or through its subsidiaries and associates (hereinafter referred to as "the Group") invested in diverse business verticals viz. Fleet operating and chartering (tankers and dry bulkers), oilfields services (land rigs and semi-submersible rig) and logistics services (trucks, trailers and tippers). The principal place of business of the Company is in Mumbai, India.

1) **BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind-AS) notified under section 133 of Companies Act, 2013 read with the relevant rules issued thereunder.

The Group's presentation currency is Indian Rupees. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in crores.

Authorization of Financial Statements: The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 24 June, 2021.

<u>Historical cost convention</u>

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Assets held for sale are measured at the lower of carrying value and fair value less costs to sell.
- Defined benefit plans where plan assets measured at fair value.

<u>Going concern basis of accounting</u>

These accounts have been prepared on a going concern basis.

In assessing the Group's going concern status, the Management has taken account of:

- the financial position of the Group;
- anticipated future trading performance;
- Expected settlement with lenders and asset monetization plans;
- its bank and other facilities, including facilities in default, or due to expire within the next 12 months;
- its capital investment plans;
- the likelihood of any material adverse legal judgments.

Refer Note 26 for further details.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Essar Shipping Limited, ('the Company'), its subsidiary companies, and the Group's share of profit / loss in its associates and joint venture. The consolidated financial statements have been prepared in accordance with the requirements of Ind AS 110, 'Consolidated Financial Statements' on the following basis:

1) The financial statements of the subsidiary companies and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2021. These have been consolidated based on latest available financial statements.

2) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.

3) The consolidated financial statements include the share of profit / loss of the associate and joint venture companies

which have been accounted for using equity method as per Ind-AS 28, Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate and joint venture companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment at each balance sheet date and impairment loss, if any, is provided for. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

4) The difference between the cost of investment in the associate and joint venture and the share of net assets at the time of acquisition of shares in the associate and joint venture is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

5) Following subsidiary companies and associates have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				31 March, 2021	31 March, 2020
OGD Services Holdings Limited ("OGDSHL") (fka Essar Oilfields Services Limited)	Subsidiary	Mauritius	ESL	100%	100%
OGD Services Limited ("OGD") (fka Essar Oilfield Services India Limited)	Subsidiary	India	OGDSHL	100%	100%
Energy II Limited ("EIIL")	Subsidiary	Bermuda	ESL	73%	73%
Essar Shipping DMCC ("ES DMCC")	Subsidiary	United Arab Emirates	ESL	100%	100%
Essar Oilfields Middle East DMCC (Note i)	Subsidiary	Dubai	OGDSHL	-	100%
Starbit Oilfield Services India Limited ("SOSIL") (Note i)	Subsidiary	India	OGD	100%	100%
Varada Drilling One Pte Limited (Note i)	Associate	Singapore	OGD	-	28.57%
Varada Drilling Two Pte Limited (Note i)	Associate	Singapore	OGD	-	28.57%
Arkay Logistics Limited ("ALL") (Note i)	Associate	India	ESL	49%	49%
OGD-EHES JV Private Limited (Note iii)	Joint venture	India	OGD	26%	-

Notes:

i. The financial statements of Arkay Logistics Limited and Starbit Oilfield Services India Limited are considered for the purpose of preparation of Consolidated Financial Statements are based on the unaudited financials certified by the respective managements.

ii. Varada Drilling One Pte Limited, Varada Drilling Two Pte Limited and Essar Oilfields Middle East DMCC was liquidated during FY 2020-21 and ceased to exist as on 31 March, 2021.

iii. During the year, OGD had purchased 2,600 equity shares of Rs. 10/- each in joint venture. OGD is holding 26% equity share in joint venture along with another group company, which is having 74% equity share.

b) Use of estimates

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Critical estimates and judgments

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer note 10

Estimation of current tax/ deferred tax expenses and payable - refer note 19

Useful lives of property, plant and equipment- refer note 2(A)

Impairment of Goodwill - refer note 2(B)

Impairment of financial and non-financial assets- refer notes 18

Going Concern- refer note 27

c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current/non-current as per the Group's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

When significant parts of PPE are required to be replaced at intervals, Group depreciates them separately based on their specific useful lives.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and changes if any are accounted in line with revisions to accounting estimates.

Capital Work in Progress:

Capital work in progress is stated at cost, net of impairment losses, if any.

Depreciation:

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013 except in case of following category of PPE in whose case the life of the items of PPE has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc.

Nature of property, plant and equipment	**Useful Life**
Rigs	3-18 years

Depreciation on the plant and equipment of the Group's foreign subsidiaries, and associates has been provided on straight line method/ written down value method as per the estimated useful life of such assets as follows:

Nature of property, plant and equipment	**Useful life**
Plant and machinery	8-15 years
Vehicles	5 years
Computers	3 years
Furniture and fixtures	10 years
Office equipment	3 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of capitalization. Depreciation on additions/deductions to PPE made during the year is provided on a pro-rata basis from / up to the date of such additions /deductions, as the case may be.

The property plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

e) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

(A) Lease Liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Group measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

g) Assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Property, plant and equipment classified as held for sale are not depreciated.

h) Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each standalone balance sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing is required for an asset or group of Assets, called Cash Generating Units (CGU), the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. In case of non-financial assets Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i) **Valuation of Inventory**

Cost includes all charges in bringing the inventories to their present location and condition, including octroi and other levies, transit insurance and receiving charges and excluding rebated and discounts, if any. Inventories are valued at the lower of cost determined on first-in-first-out basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value is the estimated selling price in the ordinary course of business.

j) **Revenue recognition**

Fleet operating and chartering earnings represent the value of charter hire earnings, demurrage, freight earnings, fleet management fees and lighterage earnings, and are accounted on accrual basis in accordance with Ind AS 115. Freight earnings are recognised on a pro-rata basis for voyages in progress at balance sheet date after loading of the cargo is completed and Bill of lading is obtained. Revenues and related expenses for voyages where cargo has not been loaded as on the balance sheet date are deferred and recognised in the following year. Lighterage is recognised on the basis of unloading of entire cargo.

Rig operating and chartering earnings represent the value of charter hire earnings, rig operating earnings, rig mobilization and demobilization revenue and scrap sales and the same are accounted on accrual basis in accordance with Ind AS 115. Charter hire and rig operating are recognised based ion contractual daily rates billed on monthly basis. Rig mobilization and demobilization revenue and scrap sales income are recognized on instance basis. Any agreed deductions from the invoices by the customer is reduced from turnover. In case those deductions are related to previous year, the same will be charged off to profit and loss account.

The Group recognises revenue from contract with customers based on a five-step model as set out in Ind AS 115:

Step 1. Identify Contracts with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Supervision and Management Fees

Revenue from sale of services is recognized on accrual basis as and when the related services are rendered as per the terms of the contract with the customer.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

k) Operating expenses

All expenses relating to the operations including crewing, insurance, stores, bunkers, charter hire and special survey costs, rig operating expenses, mobilization and de-mobilization charges, transportation and catering are expensed under operating expenses on accrual basis. Dry-docking expenses are amortised over 30 months.

l) Employee benefits

i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, and performance incentives.

ii) Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

iii) Post employment benefit plan

The Group(employer) and the employees contribute a specified percentage of eligible employees' salary- currently 12%, to the employer established provident fund "Essar Shipping Limited Employees Provident Fund" set up as an irrevocable trust by the Parent company. In case of subsidiaries, contribution is made to the established Government Provident fund. The Group is generally liable for annual contributions and any shortfall in the fund assets and recognizes such provident fund liability, considering fund as the defined benefit plan, based on an independent actuarial valuation carried out at every statutory year end using the Projected Unit Credit Method.

Provision for gratuity for the staff is made as under:

(i) For offshore officers on actuarial valuation.

(ii) For offshore crew on accrual basis as per rules of the National Maritime Board and is charged to the Statement of Profit and Loss.

Contribution to defined contribution retirement benefit schemes are recognised as expense in the Statement of Profit and Loss, when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in Other Comprehensive Income, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and is otherwise amortised on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation and is adjusted both for unrecognised past service cost, and for the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme, if lower.

iv) Employee Options

The fair value of the options granted under the value of the Company, Employee Option Plan is recognised as employee benefits expense with the corresponding increase in equity. The total amount to be expensed is determined by the reference to the fair value of the options granted:

- including any market conditions (e.g., the entity's share price)
- excluding the impact of any service and non- market performance vesting conditions (profitability, sales growth targets and remaining an employee of the entity over the specified period), and
- including the impact of any non-vesting conditions (e.g. the requirement for the employee to save or holding shares for the specific period of time)

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimate of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with the corresponding adjustments to equity.

m) Foreign currencies

(i) Functional and presentation currency

The Group's financial statements are presented in Indian Rupee (INR), which is also the Group's functional and presentation currency.

(ii) Transaction and balances

Transactions in foreign currencies are translated into functional currency using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in Profit or loss. They are deferred in Equity if they relate to qualifying cash flow hedges. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in those foreign operations.

Foreign exchanges differences regarded as adjustments to borrowing costs are presented in the statement of Profit and loss, within finance cost. All other foreign exchange gains and losses as presented in the Statement of Profit and loss on a net basis within other gains/ (losses).

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using exchange rates on dates of initial recognition.

Exchange differences relating to Long term foreign currency monetary items are accounted in terms of Para D13AA of Ind-AS 101 as under:

(i) In so far as they relate to the acquisition of a depreciable capital asset, such differences are added to/deducted from the cost of such capital asset and depreciated over the balance useful life of the asset

(ii) In other cases, such differences are accumulated in "Foreign currency Monetary Items Translation differences account" and amortised in the statement of Profit and loss over the balance useful life of the long term foreign currency monetary item.

n) Investment in Associates and Joint venture

Investments in associates and joint venture are recorded at cost and reviewed for impairment at each reporting date.

o) Provisions and Contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market which can be accessed by the Group for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit and loss.

Financial Assets at amortised cost

Financial Assets such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at FVTOCI

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial Assets at FVTPL

FVTPL is a residual category for debt instruments excluding investments in subsidiary and associate companies. Any Financial Asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, ESL decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit or loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a) The Group has transferred substantially all the risks and rewards of the asset, or
  b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVPTL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition

Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets, the Group determines the loss allowance based on the quantum of increase in credit risk of the financial assets since initial recognition. If the credit risks have increased significantly, an appropriate amount is recognized as a loss allowance based on the expected credit methods.

r) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability of atleast 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

Foreign currency convertible bonds (FCCBs)

FCCBs are separated into liability and equity components based on the terms of the contract. On issuance of the FCCBs, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the FCCBS based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group, or the counterparty.

s) Taxes on income

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Group and tax payable on other taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred tax relating to items directly recognised in reserves is recognised in reserves and not in the Statement of Profit and Loss.

Further, the companies are paying taxes on the basis of deemed tonnage income or as per the applicable tax laws in their country of incorporation.

t) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

u) Cash and Cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

w) Operating segments

The Board of Directors of each of companies is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in Ind AS 108. The operating segment is the level at which discrete financial information is available. The CODM allocates resources and assesses performance at this level. The Group has identified following reportable segments:

i. Fleet operating and chartering

ii. Oilfields services

Geographical segments

The CODM has also identified the reportable geographical segments in presenting the segment revenue based on the various risk bearing economic environments in which the Group operates. Revenue from foreign countries has been separately disclosed based on the materiality of the amount of revenue.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

x) Exceptional items

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Group for the year, the Group makes a disclosure of the nature and amount of such items separately under the head "Exceptional Items".

y) Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Some of the key amendments relating to Division II which relate to companies whose financial statements are required to comply with

Companies (Indian Accounting Standards) Rules 2015 are:

a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

g) Realignment of presentation of following financial statement captions:

- Security deposits to be presented under other financial assets (earlier: under loans)
- Current maturities of long-term borrowings to be disclosed separately under borrowings (earlier: under other financial liabilities)

h) Disclosure of charges/ satisfaction yet to be registered with ROC beyond the statutory period along with details and reasons thereof.

i) Prescribed disclosures where loans/ advances in the nature of loans were granted to promoters, directors, KMPs and the related parties (as defined under 2013 Act), either severally or jointly with any other person that are:

- Repayable on demand or
- Without specifying any terms/ period of repayment

j) Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio (Explain items included in numerator and denominator and any change in the ratio >25% as compared to the preceding year).

k) Disclosure of the following where borrowings are made from banks/ FI on the basis of security of current assets:

- Whether quarterly returns/ statements of current assets filed with banks/ FI are in agreement with the books
- Summary of reconciliation and reasons of material discrepancies (if any)

l) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Company is assessing the impact of these changes and will accordingly incorporate the same for the financial statements for the year ended March 31, 2022.

Notes forming part of the consolidated financial statements as at 31 March, 2021

2 (A) Property, plant and equipment

Particulars	Land	Buildings	Fleet	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total	Capital work in progress
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
Gross Block									
As at 01.04.2019	0.13	2.25	1,243.66	2,624.89	0.35	5.49	1.24	3,878.00	77.95
Additions	-	-	5.15	-	-	-	0.05	5.21	-
Exchange differences	-	-	5.04	236.06	0.02	(0.02)	0.07	241.18	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer to assset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31.03.2020	**0.13**	**2.25**	**1,253.86**	**2,860.95**	**0.37**	**5.47**	**1.37**	**4,124.39**	**77.95**
Additions	-	-	59.27	-	-	-	-	59.27	-
Exchange differences	-	-	(1.43)	(143.19)	0.00	-	0.01	(144.61)	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer to assset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31.03.2021	**0.13**	**2.25**	**1,311.70**	**2,717.76**	**0.37**	**5.47**	**1.38**	**4,039.05**	**77.95**
Accumulated Depreciation									
As at 01.04.2019	**-**	**1.89**	**432.44**	**1,625.05**	**0.25**	**5.32**	**0.62**	**2,065.58**	**-**
Additions	-	0.05	110.21	61.77	0.01	0.01	0.17	172.23	-
Exchange differences	-	-	-	224.92	0.00	0.03	0.04	224.99	-
Impairment	-	-	-	658.78	-	-	-	658.78	67.15
Transfer to assset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31.03.2020	**-**	**1.94**	**542.65**	**2,570.52**	**0.26**	**5.36**	**0.83**	**3,121.57**	**67.15**
Additions	-	0.31	112.18	61.13	0.02	0.01	0.12	173.77	-
Exchange differences	-	-	-	(139.92)	(0.01)	-	(0.02)	(139.95)	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer to assset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31.03.2021	**-**	**2.25**	**654.83**	**2,491.73**	**0.27**	**5.37**	**0.93**	**3,155.40**	**67.15**
Net Block									
As at 31.03.2020	**0.13**	**0.31**	**711.21**	**290.43**	**0.11**	**0.11**	**0.53**	**1,002.81**	**10.80**
As at 31.03.2021	**0.13**	**0.00**	**656.87**	**226.02**	**0.10**	**0.10**	**0.44**	**883.66**	**10.80**

(I) Leased assets

The lease term in respect of assets acquired under finance leases expires within 10 years. Refer Note 23 for terms of leasing arrangements and related disclosures.

(II) Water treatment plant

Gross block of plant and equipment includes a water treatment plant of Rs. 38.84 crores (previous year: Rs. 38.84 crores) given on lease. The net book value is Rs. Nil (previous year: Rs. Nil).

(III) Assets given as security for borrowings

1. Fleet and Land owned by the Company have been given to lenders as security for various borrowing facilities.
2. Five Mobile Rigs owned by a subsidiary have been given to its lenders as security for various borrowing facilities.
3. Six Land Rigs owned by a subsidiary have been secured against 11.35% secured non convertible Debenture issued by the Company.

(IV) Impairment testing

Fleet: In view of pertinent slowdown in shipping industry, the Company has assessed 'recoverable amount' of each fleet by estimating their "value in use", in terms of IND-AS 36 "Impairment of Assets". 'Value in use' is estimated by applying appropriate discount rate to projected net cash inflows having regard to existing long term contracts, expected tariff based on past trends and costs to operate the fleet which represents the mangement's best estimate of the set of economic conditions that will exist over remaining useful life of each fleet. Based on the aforementioned assessment, it has been concluded that 'recoverable amount' of the fleet is higher than their respective carrying amount.

Rigs: In case of rigs in operation, the Group has considered higher of fair value less costs to sale and value in use for measuring recoverable value as per paragraph 18 of Ind AS 36 while ascertaining the impairment in the books. In the current year, as assessed by the management, there is no impairment.

2(B) Goodwill on Consolidation

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Opening balance	-	1,336.31
Foreign currency translation difference	-	(616.21)
Less: impairment of goodwill	-	(720.10)
Closing balance	-	-

3 Non-current investments

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Investments in equity shares of associate (unquoted, fully paid up)		
35,770,000 (previous year: 35,770,000) Equity shares of ₹10/- each of Arkay Logistics Limited	35.77	35.77
Less: Provision for impairment	(35.77)	(35.77)
Total (a)	-	-
Investments in equity shares of Joint Venture (unquoted, fully paid up)		
2,600 (previous year: Nil) Equity shares of ₹.10/- each of OGD-EHES JV Private Limited (₹ 26,000/-only)	0.00	-
Total (b)	**0.00**	-
Investments in equity shares - others (unquoted, fully paid up)		
2,500 (previous year: 2,500) Equity shares of ₹.10/- each of Ultra LNG Haldia Limited (₹ 25,000/-only)	0.00	0.00
Total (c)	**0.00**	**0.00**
Total (a+b+c)	**0.00**	**0.00**
Aggregate amount of unquoted non - current investments	35.77	35.77
Less: Aggregate amount of provision for impairment other than temporary in value of investments	(35.77)	(35.77)
Total non-current investments	**0.00**	**0.00**

Information about the associates and Joint Venture

Name of the Company	Country of Incorporation and Principal Activities	Proportion of equity interest As at 31 March, 2021 %	Proportion of equity interest As at 31 March, 2020 %
Arkay Logistics Limited (Associate)	India, multi-modal transport services	49.00%	49.00%
Varada Drilling One Pte Limited (Associate)	Singapore, Rig operating and chartering services	28.57%	28.57%
Varada Drilling Two Pte Limited (Associate)	Singapore, Rig operating and chartering services	28.57%	28.57%
OGD-EHES JV Private Limited (Joint Venture)	India, Rig operating and chartering services	26.00%	-

The carrying value of the Group's investment in Arkay Logistics Limited is derived as follows:

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Opening balance	35.77	35.77
Share of Profit / (loss) for the year	-	-
Provision for impairment	(35.77)	(35.77)
Closing balance	-	-

4 (A) Current investments

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Investment in mutual funds (quoted)		
SBI Liquid Fund Direct Growth	6.23	-
19,339.243 (Previous Year Nil) Units of SBI Liquid Fund Direct Growth (NAV as on 31.03.2021 ₹ 3,221.6193)		
Total	**6.23**	-

4 (B) Trade and other receivables

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	30.32	71.99
Trade receivables which have significant increase in credit risk	6.95	23.50
Trade receivables - credit impaired		
Less : Loss allowance	(6.95)	(23.50)
Total trade and other receivables	**30.32**	**71.99**

Movement in allowances for doubtful debts

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Opening balance	23.50	129.36
Allowances created/(reversed) during the year	(16.55)	(105.86)
Closing balance	**6.95**	**23.50**

4 (C) Cash and bank balances

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Balances with banks in current accounts	27.08	39.12
Cash in hand	-	-
Margin money deposits (lien marked against guarantee issued by bank & revenue authorities)	0.50	5.18
Total Cash and bank balances	**27.58**	**44.30**

4 (D) Loans (Current)

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Unsecured, considered good		
Loan to related parties	466.25	464.35
Loans to employees	0.41	0.41
Total loans (Current)	**466.66**	**464.76**

4 (E) Other financial assets (current)

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Insurance claim receivable	1.67	5.06
Interest accrued	2.22	0.19
Arbitration award receivable	369.81	369.81
Receivables from related parties	68.60	53.00
Security deposits	68.76	69.36
Total other financial assets (current)	**511.06**	**497.42**

Other financial assets (non-current)

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Bank deposits held as margin money, pledged against certain bank borrowings	0.50	0.49
Total other financial assets (non-current)	**0.50**	**0.49**

5 Other non-current assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Income tax paid in advance	9.07	15.78
Total other non-current assets	**9.07**	**15.78**

6 Inventories

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
At lower of cost and net realisable value		
Stores and spares	7.44	9.78
Fuel, oil and lubricants	12.94	11.87
Total Inventories	**20.38**	**21.65**

7 **Other Current assets**

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Income taxes	32.65	82.63
Unbilled revenue	2.75	20.68
Prepayments	0.44	1.02
Balances with revenue authorities	23.44	31.50
Advance for capital expenditure	0.32	6.69
Other advances	46.04	66.22
Security deposits	6.53	6.70
Total other current assets	**112.17**	**215.44**

8 **Equity Share capital and other equity**

8 (A) **Equity Share Capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No of shares	₹ in crore	No of shares	₹ in crore
Authorised equity share capital				
Equity shares of ₹10/- each	500,000,000	500.00	500,000,000	500.00
	500,000,000	**500.00**	**500,000,000**	**500.00**
Issued, subscribed and fully paid up				
Equity shares of ₹10/- each	206,976,072	206.98	206,976,072	206.98
Issued during the year	-	-	-	-
Total	**206,976,072**	**206.98**	**206,976,072**	**206.98**

(i) **Movements in equity share capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No of shares	Amount (₹ in crore)	Number	Amount (₹ in crore)
Opening balance	206,976,072	206.98	206,976,072	206.98
Issue during the year	-	-	-	-
Closing balance	**206,976,072**	**206.98**	**206,976,072**	**206.98**

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) **Shares held by holding company / ultimate holding company, their subsidiaries and associates**

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	No of shares	₹ in crore	%	No of shares	₹ in crore	%
Essar Shipping Mauritius Holdings Limited, the immediate holding company	124,362,408	124.36	60.09%	124,362,408	124.36	60.09%
Essar Ports & Shipping Limited, Mauritius, the holding company *	33	0.00	0.00%	33	0.00	0.00%
IDH International Drilling Holdco Limited, Cyprus, the intermediate holding company	21,406,365	21.41	10.34%	21,406,365	21.41	10.34%
	145,768,806	**145.77**	**70.43%**	**145,768,806**	**145.77**	**70.43%**
* Amount ₹ 330.00 (previous year ₹ 330.0)						
b) Others (if holding shares more than 5%)						
India Opportunities Growth Fund Limited	17,644,450	17.64	8.52%	10,244,450	10.24	4.95%
	17,644,450	**17.64**	**8.52%**	**10,244,450**	**10.24**	**4.95%**

There are no shareholders holding more than 5% shares in the Company (except as disclosed above)

8 (B) **Preference Share Capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number	₹ in crore	Number	₹ in crore
Authorised preference share capital				
Preference shares of ₹10/- each	150,000,000.00	150.00	150,000,000.00	150.00
	150,000,000.00	**150.00**	**150,000,000.00**	**150.00**
Issued, subscribed and fully paid up				
Preference shares of ₹ 10/- each	-	-	-	-
Issued during the year	-	-	-	-
Total	-	-	-	-
b) Others (if holding shares more than 5%)	-	-	-	-

There are no shareholders holding more than 5% shares in the Company (except as disclosed above)

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the date of the Balance Sheet.

Particulars	Year (Aggregate no. of shares)				
	2020-21	2019-20	2018-19	2017-18	2016-17
Equity shares issued for consideration other than cash					
Issued as fully paid up pursuant to a Scheme of arrangement	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Note: Shares reserved for issue under options

(i) The Company had reserved issuance of 3,77,463 equity shares of ₹ 10/- each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Options Scheme. (ESOS) (refer note no.26 for details)

(ii) 2,400 Foreign Currency Convertible Bonds (FCCB) are convertible into 122,852,787 equity shares (previous year 122,852,787 equity shares) of ₹ 10/- each refer foot note (f) to note 9(A) for details.

8 (C) Reserves and surplus

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Debenture redemption reserve	101.17	101.17
Share options outstanding account	0.61	0.61
Tonnage tax (utilised) reserve	33.00	33.00
Tonnage tax reserve	68.00	68.00
Securities Premium	60.82	60.82
General reserve	4,799.22	4,799.22
Foreign currency translation reserve	133.98	105.07
Retained earnings	(10,221.96)	(9,601.46)
Other Comprehensive Income	5.04	5.13
Total Reserves and surplus	**(5,020.12)**	**(4,428.44)**

Debenture Redemption Reserve

In terms of rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014, the Company is required to create a Debenture Redemption Reserve (DRR) of ₹ 185 crore (previous year: ₹ 185 crore) in respect of debentures issued and outstanding as on 31 March, 2021. However, in view of losses the Company has not created such DRR entirely.

Share options outstanding reserve

This reserve contains the intrinsic value of unvested employee stock options.

Tonnage tax (utilised) and Tonnage tax reserve

Companies who opt for tonnage tax scheme are required to transfer an amount to this reserve as per the provisions of section 115VT of the Income Tax Act, 1961. In view of losses during the year, the Company has not created such reserve.

Securities Premium

The amount received in excess of face value of the Equity shares is recognised in Securities Premium. In case of Equity - Settled share based payment transactions, the difference between fair value on grant date and nominal value of shares is accounted as Securities Premium.

General reserve

These were transferred to the Company at the time of its demerger from Essar Shipping Ports & Logistics Limited.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to General Reserve, Tonnage Tax Reserve, Dividend, Debenture Redemption Reserves or other distribution to Shareholders.

Other items of comprehensive income

These are actuarial gains / (losses) on employee benefit obligations.

9 (A) Borrowings

Long - term borrowings

Particulars	Non - current		Current	
	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Secured				
(a) Debentures				
11.35%, 7,000 non convertible debentures of ₹10,00,000 each, secured by first charge on sale proceeds of bulk carrier of the Company (deposited with Registrar of the Bombay High Court), six land rigs of a subsidiary, two tugs of a fellow subsidiary, mortgage of immovable property of the Company, first charge on eight barges and pledge of 49% of investment in equity shares of an associate. [refer foot note (a)] (current portion overdue)	-	-	700.00	700.00
13.10 %, 140 (previous year 190) non convertible debentures and 12.30% 205 (previous year 205) non convertible debentures of ₹10,00,000 each, secured by mortgage of immovable property. [refer foot note (b)] (2.80 crore overdue)	26.10	29.50	8.40	5.00
(b) Term loans				
(i) from banks				
Foreign currency term loans [refer foot note (c)]	-	-	55.42	58.24
(secured by first charge on two bulk carriers and its receivables) (current portion overdue)				
Rupee term loan [refer foot note (d)]	-	-	634.85	651.62
(secured by first charge on a very large crude carrier, two bulk carrier and their receivables) (current portion overdue)				
Foreign currency term loans [refer foot note (e)]	-	226.33	672.15	500.79
(secured by first charge on Essar Wildcat rig and on the corporate guarantee by the Company and IDH International Holdco Limited)				
Rupee term loan [refer foot note (f)]	-	-	29.59	31.66
(secured by first charge on receivables from group company)				
Rupee term loan [refer foot note (g)]	-	-	46.59	46.59
(secured by first charge on five Rigs including three Schramm rigs by way of hypothecation along with other movable assets and receivables thereon and corporate guarantee by the Company)				
Rupee term loan [refer foot note (g)]	-	-	621.49	575.94
(secured by charge on Jack up rigs and all movable assets and receivables thereon and corporate guarantee by the Company)				
(ii) from financial institutions				
Rupee term loan [refer foot note (g)]	-	-	30.65	40.98
(secured by first pari passu charge by way of hypothecation on three Schramm Rigs along with movable assets and its receivables thereon and corporate guarantee by the Company)				
(ii) from others				
Rupee term loan	179.48	181.48	25.28	25.28
(secured by first charge on one mini bulk carrier, four tugs of an associate company, four mini bulk carriers of an unrelated entity and corporate guarantee of the ultimate parent company) (secured by first charge on a bulk carriers and its receivables) (current portion overdue)				
Total secured loans [A]	**205.58**	**437.31**	**2,824.41**	**2,636.10**

Particulars	Non - current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Unsecured				
(a) Foreign currency convertible bonds (FCCBs) [refer note (h) below]	1,537.62	1,537.62	-	-
(b) Others (current portion overdue)	-	-	31.30	30.51
Total unsecured loans [B]	**1,537.62**	**1,537.62**	**31.30**	**30.51**
Total [A+B]	**1,743.21**	**1,974.93**	**2,855.71**	**2,666.61**
Less: Unamortised upfront fees	-	-	-	(0.10)
Less: Amount disclosed under the head other financial liabilities (refer note 9 (C))	-	-	(2,855.71)	(2,666.51)
Long - term borrowings	**1,743.21**	**1,974.93**	-	-

Foot notes:-

i) Repayment terms:

a) Secured debentures: 2,000 Non-Convertible Debentures issued on 25 March 2010 and 5,000 debentures issued on 22 June 2009 are redeemable at the expiry of 10 years with put and call option exercisable after five years from their respective dates of issue. The Company has received notice from the debenture holder invoking the put option. A settlement proposal has been made to Debenture holder and the same is under consideration.

b) Secured debentures: 205 debentures issued on 01 February 2013 are redeemable at the expiry of 10 years from the date of issue and the holder of the debentures have an option to call after 5 years from the date of issue. 40 debentures issued on 12 October 2012 and 100 debentures issued on 22nd June 2012 were redeemable at the expiry of five years from their respective date of issue. The Principal repayment of said (40) debentures has been realigned and as per the revised repayment schecule principal payment of ₹ 2.8 crore is overdue as on 31 March 2021.

c) Secured foreign currency term loans from banks: The Company has received sanction for settlement of the dues to another bank for which amount is overdue. The management is reasonably confident to comply with the conditions of the sanction. However, the loan have been classified as current liabilities till payment is made.

d) Secured Rupee term loans from banks: Three banks invoked Standby Letter of Credits (SBLCs) for ₹ 687.37 crore in Previous Year (₹ 634.85 crore outstanding as on 31 March, 2021). The SBLCs were issued on behalf of the Company by three banks to secure the loan availed by a wholly owned overseas subsidiary. The same is overdue and has been classified as current liabilities in financial statements. The Company has received / in process of receiving sanction for settlement from respective banks to settle the loans through monetization of assets.

e) Secured foreign currency term loans from banks: The management of a subsidiary has given a restructuring proposal for changing the interest rate, from 3M LIBOR + 600 basis points to fixed at 4.50%, and repayment schedule of borrowings in October, 2017 so as to align the repayment/interest with revenue. The subsidiary has received the approval for the said restructuring proposal from the lead bank of the constorium of lenders and is pursuing with other banks seeking their approvals. The subsidiary has been servicing the lenders as per the restructuring proposal regularly.

f) Secured foreign currency term loans from banks: A subsidiary has availed term loan of USD 5.00 million from a bank & as on March 31, 2021 principal amount of USD 4.02 million is overdue since December 12, 2017.

g) Secured Rupee term loans from banks:
- Recovery proceedings have been initiated against a subsidiary by a bank with DRT, New Delhi. The same bank has also initiated legal proceedings against the subsidiary under Insolvency & Bankrupcy Code (IBC) before National Company Law Tribunal (NCLT), Mumbai.
- Recovery proceedings have been initiated against a subsidiary by a bank with DRT, New Delhi.
- Recovery proceedings has been initiated against a subsidiary by a bank with DRT, New Delhi. Interim order was issued on 5th July, 2019 followed by final order on 9th July, 2019 by the Tribunal. Thereafter recovery notice pursuant to the final order has been issued. Appeals have been filed with Debt Recovery Appellate Tribunal (DRAT), New Delhi, against the Final Order.

h) Foreign currency convertible bonds: i) FCCBs of US$ 111,428,571 (Series B) due on 24 August, 2017 and US$ 128,571,429 (Series A) due on 24 August, 2015 got extended to 24 August, 2021 (subject to the approval from Reserve Bank of India), carry interest @ 5% per annum payable semi annually. The FCCBs are convertible into 122,852,787 fully-paid equity shares of ₹ 10 each of the Company, any time upto the date of maturity, at the option of the FCCB holders at conversion price of ₹ 91.70 per share at a predetermined exchange rate of ₹ 46.94 per US$. The FCCBs, if not converted till the maturity date, will be redeemed at par.

i) The classification of loans between current liabilities and non - current liabilities continues based on repayment schedule under respective agreements and on the basis of demands raised by banks & debenture holders. Some of these lenders have not confirmed the loan balances as on the balance sheet date.

j) Interest rates: Loans availed from banks, financial institutions, NBFC's and Alternate Investment Funds carry a weighted average interest rate of 13.25 % per annum (previous year: 13.62% per annum).

k) Scheduled repayments: Refer Liquidity Risk table at Note 20(ix).

9 (B) Trade payables

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Trade payables:		
- Total outstanding dues to micro and small enterprises (refer note below)	7.87	10.30
- Total outstanding dues to creditors other than micro and small enterprises	254.30	250.60
Total trade payable	**262.17**	**260.90**

Note: Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company. The Auditors have relied on the same. The required disclosures are given below:

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Principal amount due and remaining unpaid	7.87	10.30
Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

9 (C) Other financial liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Current maturities of long-term borrowings	2,855.71	2,666.51
Interest accrued	1,377.24	988.53
Advance from customers	5.21	5.19
Due to related parties	337.65	353.14
Total other financial liabilities (non-current)	**4,575.81**	**4,013.37**

10 Employee benefit obligations

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Defined benefit plans	2.49	2.30
Defined contribution schemes	0.21	0.28
Total Employee benefit obligations	**2.70**	**2.58**

I. Details of retirement benefits:

The employees of the Group are members of a state – managed retirement benefit plans namely provident fund, gratuity fund and superannuation fund operated by the Government of India. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group has recognised the following amounts in the Income Statement during the year under 'Contribution to staff provident and other funds. (refer note 15)

(₹ in crore)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
a) Employer's contribution to gratuity fund (offshore crew staff)	0.30	0.29
b) Group accident policy premium (all employees)	-	-
c) Employer's contribution to pension fund (offshore crew staff)	0.12	0.14
d) Employer's contribution to pension fund (office staff)	0.15	0.46
e) Employer's contribution to provident fund (offshore crew staff)	0.52	1.41
Total	**1.09**	**2.30**

II. Defined benefit plans

The Group operates funded gratuity, non funded gratuity and funded provident fund plan for qualifying employees. Under the plans the employees are entitled to retirement benefits depending upon the number of years of service rendered by them subject to minimum specified number of years of service. No other post retirement benefits are provided to these employees.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at March 31, 2021 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured using the projected unit credit method.

(A) Changes in present value of defined benefit obligations:

Particulars	Gratuity (funded) 31.03.21	Gratuity (non-funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Gratuity (non-funded) 31.03.20	Provident fund (funded) 31.03.20
Present value of defined benefit obligations as at the beginning of the year	2.27	2.19	36.05	2.80	3.96	34.16
Transfer in/(out) obligation	-	-	(0.08)	-	-	1.42
Current service cost	0.20	0.26	0.72	0.22	0.29	0.82
Current service contribution- employee	-	-	0.76	-	-	0.88
Interest cost	0.13	0.13	2.30	0.20	0.23	2.95
Other adjustments	-	-	-	-	-	(0.26)
Benefits paid	(0.84)	-	(3.96)	(0.45)	-	(2.71)
Actuarial (gain)/loss on obligations	0.13	(0.12)	6.21	(0.50)	(2.29)	(1.05)
Present value of defined benefit obligations as at the end of the year	**1.90**	**2.47**	**42.00**	**2.27**	**2.19**	**36.21**

(B) Changes in the fair value of plan assets:

Particulars **Fair value of plan assets at beginning of the year** **Expected return on plan assets**	Gratuity (funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Provident fund (funded) 31.03.20
Fair value of plan assets at the beginning of the year	**2.16**	**42.20**	**1.01**	**34.16**
Transfer in/(out) plan assets	-	(0.08)	-	1.42
Return on plan assets	0.05	0.47	0.08	4.94
Interest income on plan assets	0.09	2.70	0.03	2.95
Contributions by the employer/ employees	0.43	1.49	1.45	1.70
Benefits paid	(0.84)	(3.96)	(0.28)	(2.71)
Other adjustments	(0.01)	-	(0.13)	(0.26)
Fair value of plan assets as at the end of the year	**1.88**	**42.82**	**2.16**	**42.20**

(C) Amount recognised in balance sheet:

Particulars Present value of defined benefit obligation as at end of the year Fair value of plan assets as at end of the year	Gratuity (funded) 31.03.21	Gratuity (non-funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Gratuity (non-funded) 31.03.20	Provident fund (funded) 31.03.20
Present value of defined benefit obligations as at the end of the year	**1.90**	**2.47**	**42.00**	**2.27**	**2.19**	**36.21**
Fair value of plan assets as at end of the year	1.87	-	42.82	2.16	-	36.21
Liability recognised in the Balance Sheet (included in provisions) (note 10)	**0.03**	**2.47**	**(0.82)**	**0.11**	**2.19**	**-**

(D) Expenses recognised in the Statement of Profit and Loss:

Particulars Current service cost Interest cost	Gratuity (funded) 31.03.21	Gratuity (non-funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Gratuity (non-funded) 31.03.20	Provident fund (funded) 31.03.20
Current service cost	0.20	0.26	0.72	0.22	0.29	0.83
Past service cost- plan amendments	-	-	-	-	-	-
Net interest on net defined benefit liability/ (asset)	0.00	0.13	-	0.13	0.23	-
Total expenses recognised in the Statement of Profit and Loss (Included in Contribution to provident and other funds (note no. 15)	**0.21**	**0.40**	**0.72**	**0.35**	**0.52**	**0.83**

(E) Amount recongnised in other comprehensive income

Particulars	31.03.21	31.03.20
Experience adjustments	(0.02)	2.84
Total	**(0.02)**	**2.84**

(F) Category of plan assets:

Particulars	Gratuity (funded) 31.03.21	Provident fund (funded) 31.03.21	Gratuity (funded) 31.03.20	Provident fund (funded) 31.03.20
Administered by Life Insurance Corporation of India & SBI *	100%		100%	
Government of India securities (Central and State)		31%		32%
Public sector bonds/ TDRs		69%		68%

*The Group is unable to obtain the details of plan assets from the Life Insurance Corporation of India and hence the disclosure thereof is not made.

(G) Sensitivity analysis

Particulars	Gratuity (funded) 31.03.21	Gratuity (funded) 31.03.20
DBO On base assumptions	1.57	1.57
A. Discount Rate	5.60%	6.25%
1. Effect due to 0.5% increase in discount rate	(1.32)	(1.53)
2. Effect due to 0.5% decrease in discount rate	1.37	1.60
B. Salary Escalation Rate	5.00%	5.00%
1. Effect due to 0.5% increase in salary escalation rate	1.37	1.59
2. Effect due to 0.5% decrease in salary escalation rate	(1.33)	(1.54)
C. Withdrawal Rate	8.00%	8.00%
1. Effect due to 5% increase in withdrawal rate	(1.35)	(1.57)
2. Effect due to 5% decrease in withdrawal rate	1.35	1.56

Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments % which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

(H) Actuarial assumptions

Actuarial valuations were done in respect of the aforesaid defined benefit plans based on the following assumptions:

(I) General assumptions:

	Gratuity	Gratuity	Provident fund	Gratuity	Gratuity	Provident fund
	(funded)	(non-funded)	(funded)	(funded)	(non-funded)	(funded)
Particulars	**31.03.21**	**31.03.21**	**31.03.21**	**31.03.20**	**31.03.20**	**31.03.20**
Discount rate (per annum)	5.6% to 6.45%	6.50%	6.55%	6.25% to 6.55%	6.55%	6.60%
Rate of return on plan assets (for funded scheme)	5.6% to 6.55%		8.00%	6.25% to 7.47%	-	8.00%
Withdrawal rate	8% to 10%	7.00%		8% to 10%	7.00%	-
Expected returns on EPFO	-		8.25%	-	-	8.25%
Rate of increase in compensation	5% to 9%	5.00%		5% to 9%	5.00%	-

ii) Mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Table. (Indian Assured Lives Mortality (2006-08)) mortality table.

iii) Leave policy: Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accrued till 31 December, 2014, is available for encashment on separation from the Company up to a maximum of 120 days.

iv) The contribution to be made by the Company for funding its liabilities for gratuity (funded and non funded) and towards provident fund during the financial year 2020-21 amounts to ₹ 1.42 crore.

v) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.

vi) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

vii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.

viii) Short term compensated absences have been provided on actual basis.

11 (A) Current tax liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	**₹ in crore**
Provision for taxation	28.56	26.48
Total Current tax liabilities	**28.56**	**26.48**

OGD Services Holdings Limited, Mauritius (formely known as Essar Oilfields Services Limited) (a subsidiary) had employed its asset in Indonesia during the period 2011 to 2015 and is registered as Essar Oilfields Services Limited ("Indonesian PE") as per local requirements. The Oilfields services business in Indonesia is subject to deemed taxation which is 6% of the assessed deemed income of the Indonesian PE. Corporate taxes are payable monthly and annual Branch tax computed based on calendar year is to be discharged within 4 (four) months of close of the calendar year.

The subsidiary has approached the Indonesian Tax Authorities for reassessment of tax liability and received a demand notice for IDR 57,297,961,030/- on March 16, 2020 from them. Accorrdingly, the tax liability has been restated in the books.

11 (B) Other current liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Statutory and other related dues	2.43	10.80
Payable in respect of capital goods	7.90	6.64
Deferred profit on sale and lease back	5.46	6.49
Unearned revenue on services	4.98	3.23
Total other current liabilities	**20.77**	**27.16**

12 Revenue from operations

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Sale of services		
Fleet operating and chartering earnings	365.94	1,037.87
Rig operating and chartering earnings	92.94	291.03
Other operating income		
Profit on sale of vessel	1.03	1.03
Scarp sales	0.46	0.47
Supervision / management fees	12.66	13.75
Total	**473.03**	**1,344.15**

13 Other income

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Interest income		
- from banks	0.19	0.61
- from related parties on intercorporate deposits (refer note 26)	20.74	2.58
- from others	6.02	138.94
Net gain /(loss) on foreign currency translation and transactions	0.06	6.53
Other non operating income	8.12	1.49
Total	**35.13**	**150.15**

14 Operating expenses

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Consumption of stores and spares	36.30	42.31
Consumption of fuel, oil and water	123.79	276.87
Direct voyage expenses	135.18	505.54
Commission, brokerage and agency fees	0.97	1.21
Standing costs	33.01	53.40
Insurance, protection and indemnity club fees	15.81	19.57
Total	**345.06**	**898.90**

15 Employee benefits expense

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Offshore staff		
Salaries, wages and bonus	48.96	78.12
Contribution to staff provident and other funds	1.51	4.89
Staff welfare expenses	5.27	5.50
Office staff		
Salaries, wages and bonus	14.28	18.84
Contribution to staff provident and other funds	0.93	1.88
Staff welfare expenses	1.91	2.33
Total	**72.86**	**111.56**

16 Finance costs

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Interest expense		
- on bank loans	295.00	136.11
- on loans from financial Institutions	7.49	10.54
- on finance lease obligations	-	1.29
- on debentures	155.26	141.65
- on others	28.45	81.33
Loan commitment / processing charges, guarantee fees and other charges	2.49	61.66
Total	**488.69**	**432.58**

17 Other expenses

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Rent	0.69	2.43
Rates and taxes	0.23	0.19
Repairs and maintenance		
- buildings	0.01	0.16
- others	2.79	1.11
Legal and professional fees	6.02	14.30
Travelling and conveyance	0.26	1.44
Auditor's remuneration (refer note below)	0.60	0.67
Net loss on foreign currency translation and transaction (other than considered as finance cost)	10.62	17.00
Sundry balances written-off (Net)	1.04	4.30
Other establishment expenses	2.06	31.49
Total	**24.32**	**73.09**

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
As auditors	0.51	0.59
Reimbursement of expenses	0.01	0.01
For other services	0.08	0.07
Total	**0.60**	**0.67**

18 Exceptional Items

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Expenses		
Provision / Impairment for doubtful receivables / advances	23.41	71.33
Provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment and valuation report	-	35.77
Impairment of fixed assets / capital work-in-progress	-	664.46
Impairment of goodwill	-	720.10
Total	**23.41**	**1,491.66**

Impairment of receivables:

Two subsidiaries has assessed its receivables / Inter Corporate Deposit from a related party for recoverability as at 31 March 2020 and management feels these are no longer recoverable as the said related party does not have sufficient assets to repay its secured.

Impairment of investment:

The impairment of Group's investments in an associate, as per Ind AS 36 "Impairment of assets", is evaluated by the Management and the process of validating various operational assumptions impacting the estimated future cash flows from certain subsidiary companies and consequent effect on the investments. Accordingly the impairment of ₹ 35.77 crore has been considered in the previous year.

Impairment of fixed assets and capital work-in-progress

A subsidiary has carried out the valuation of rigs during the financial year 2017-18 and recognised the impairment of ₹ 664.46 crore in the books as on March 31, 2018. At group level the same has been considered in the previous year year.

Impairment of goodwill

On the basis of a report provided by an independent valuer, the Group has concluded that an investment in one of the subsidiary has to be impaired to NIL & that said has resulted in fully impairment of Goodwill as on 31 March, 2020.

19 Income taxes

Income tax expense recognised in the profit and loss account comprises of:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	₹ in crore	₹ in crore
Current income taxes	0.62	1.11
Income tax expense for the year	**0.62**	**1.11**

The reconciliation of income tax expense applicable to accounting profit before income tax at statutory income tax rate to income tax expense at the Company's effective income tax rate for the year ended 31 March, 2021 and 31 March, 2020 are as follows:

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Profit / (Loss) before taxes	(619.94)	(1,685.74)
Effective tax rate in India: 34.608%*	-	-
Tax effect of adjustment for profits subject to tonnage tax regime / presumptive taxation	0.62	1.11
Income tax expense recognised in the profit and loss account	**0.62**	**1.11**

*** Effective tax rate is Nil on account of losses during the year.**

Note: In case of Indian shipping companies, tax expense is computed based on the gross tonnage of the vessels for the income subject to tonnage tax. In case of income not subject to tonnage tax, the same is calculated based on the taxable profits calculated in accordance with the applicable tax laws.

20 Financial Instruments

(i) Capital management

The Group manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from the previous year. The capital structure of the company consists of debt, which includes the borrowings including temporary overdrawn balance, cash and cash equivalents including short term bank deposits, equity comprising issued capital, reserves and non-controlling interests. The gearing ratio for the year is as under:

Particulars	As at 31 March, 2021 ₹ in crore	As at 31 March, 2020 ₹ in crore
Debt (including borrowings from related and unrelated parties and finance lease obligations)	4,598.92	4,641.44
Less: Cash and cash equivalent including short term deposits (restricted)	(27.58)	(44.30)
Less: Current Investments in Mutual Fund	(6.23)	-
Net debt (A)	**4,565.11**	**4,597.14**
Total equity (B)	**(4,549.18)**	**(3,960.00)**
Net debt to equity ratio (A/B)	**(1.00)**	**(1.16)**

(ii) Categories of financial instruments

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets:				
At amortised cost				
Cash and cash equivalents	27.58	27.58	44.30	44.30
Loans and other receivables	496.98	496.98	536.75	536.75
Other financial assets	511.06	511.06	497.42	497.42
At fair value through profit and loss				
Investments in Mutual Funds	6.23	6.23	-	-
Total	**1,041.84**	**1,041.84**	**1,078.47**	**1,078.47**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities:				
At amortised cost				
Borrowings (Including current maturities)	4,598.92	4,598.92	4,641.46	4,641.46
Trade and other payables	262.17	262.17	260.90	260.90
Other financial liabilities	1,720.10	1,720.10	1,346.86	1,346.86
Total	**6,581.19**	**6,581.19**	**6,249.22**	**6,249.23**

Fair value measurements recognised in the statement of financial position:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.
-Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
-Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
-Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:
a) Cash and short-term deposits, trade and other receivables, trade and other payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.
b) The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.
c) Derivative instruments have been fair valued on the reporting date on the basis of quotes provided by the third party qualified valuer / market participants.

Fair Value Hierarchy

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
	Level 2	Level 2
Assets		
Investments in Mutual Fund	6.23	-

(iii) Financial risk management objectives:
The Group's principal financial liabilities comprise of loan from banks and financial institutions, finance lease obligations, overdrafts and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Group's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

(iv) Foreign currency risk:
Foreign currency risk mainly arises from transactions undertaken by an operating unit denominated in currencies other than its functional currency. Exposure to foreign currency risk is partly mitigated by natural hedges of matching revenues and costs.

The carrying amounts of the Group's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollars (US$)	926.82	823.79	837.03	819.22
Currencies other than INR & US$	2.16	9.49	0.76	7.89
Total	**928.98**	**833.28**	**837.79**	**827.11**

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the companies in the Group. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
US$ impact	4.79	0.53
(impact on profit before tax)		

(v) Interest rate risk:

The Group is exposed to interest rate risk as entities in the Company borrow funds at floating interest rates. The interest rate risk is managed by monitoring the Group's level of borrowings periodically and structuring its borrowings on varying maturities and interest rate terms. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis:

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 March, 2021 would increase/decrease by ₹ 13.25 crore (previous year ₹ 14.06 crore). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(vi) Other price risk:

The Group is not exposed to any significant equity price risks arising from equity investments, as on March 31, 2018. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Equity price sensitivity analysis:

There is no exposure to equity price risks as at the reporting date or as at the previous reporting date.

(vii) Credit risk:

The credit risk is primarily attributable to the Group's trade and other receivables and guarantees given by the Group on behalf of others. The amounts presented in this standalone statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment. The maximum related party credit exposure at 31 March, 2021 on account of carrying amount of advances /deposit, trade and other receivables and guarantees are disclosed in note 27 on related party transactions. Based on the credit worthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated. Credit risk relating to unrelated parties are minimised as the Group deals only with reputed parties.

Cash and cash equivalents are held with reputable and credit-worthy banks.

(viii) Fair value of financial instruments:

All financial assets are initially recognised at fair value of consideration paid. Subsequently, financial assets are carried at fair value or amortized cost less impairment. Where non – derivative financial assets are carried at fair value, gains and losses on re- measurement are recognised directly in equity unless the financial assets have been designated as being held at fair value through profit or loss, in which case the gains and losses are recognised directly in the standalone statement of profit and loss. Financial assets are designated as being held at fair value through profit or loss when it is necessary to reduce measurement inconsistency for related assets and liabilities. All financial liabilities other than derivatives are initially recognised at fair value of consideration received net of transaction costs as appropriate (initial cost) and subsequently carried at amortised cost.

(ix) Liquidity risk:

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations, public offerings and refinancing of current borrowings.

Liquidity table:

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

Particulars	**As at 31 March, 2020**			
	Within one year	**One to five years**	**more than five years**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
Financial instruments:				
Borrowings	2,666.51	1,974.93	-	4,641.44
Trade and other payables	260.90	-	-	260.90
Other financial liabilities	1,346.86	-	-	1,346.86
Total financial liabilities	**4,274.27**	**1,974.93**	**-**	**6,249.20**

Particulars	**As at 31 March, 2021**			
	Within one year	**One to five years**	**more than five years**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
Financial instruments:				
Borrowings	2,855.71	1,743.21	-	4,598.92
Trade and other payables	262.17	-	-	262.17
Other financial liabilities	1,720.10	-	-	1,720.10
Total financial liabilities	**4,837.98**	**1,743.21**	**-**	**6,581.19**

21 **Leases**

Details of leasing arrangements:

a) **Finance leases: Group as a lessee**

The group has not entered into any non-cancellable finance lease.

b) **Operating leases: Group as a lessee**

The group has not entered into any non-cancellable operating lease.

22 Contingent liabilities (to the extent not provided for)

a) Claims against the company not acknowledged as debts	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Guarantee given by a bank against disputed custom duty demand of ₹ 27.40 crore by Directorate General of Foreign Trade	30.00	30.00
Income tax demand- appeal filed by the company with Commissioner of Income tax -Appeals*	138.38	145.67
Income tax demand -appeal filed by the Income tax department in the High court of Bombay against the order of Appellate Tribunal in favour of the Company	7.29	7.29
Income tax compounding fees	-	17.27

b) Others	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Guarantees given by banks	38.59	38.59
Claims against the Group not acknowledged as debt	38.50	38.50

23 Segment reporting

a) Basis of segmentation

The group has the following two reportable segments based on the information reviewed by the group's Chief Operating Decision Maker ('CODM')

a) Fleet operating and chartering

b) Oilfields services

Segments have been identified taking into account the organisational structure, nature of services, different risks and internal reporting system.

The Board of Directors of the company is considered to be the CODM which is responsible for allocating resources and assessing performance of the operating segments.

b) Business segment

Particulars	As at 31 March, 2021	As at 31 March, 2020
	₹ in crore	₹ in crore
Segment Revenue		
Operating Income		
Fleet operating and chartering	380.73	1,058.35
Rig operating and chartering	121.90	367.57
Total	**502.63**	**1,425.92**
Less: Inter segment revenue	(29.60)	(81.76)
Total Income from operations	**473.03**	**1,344.16**
Other income unallocated	35.13	150.14
Total Income	**508.16**	**1,494.30**
Segment Results		
Fleet operating and chartering	(39.70)	84.12
Rig operating and chartering	(68.15)	154.34
Total	**(107.85)**	**238.46**
Less: Unallocated interest and finance costs	(488.69)	(432.54)

Profit / (Loss) before tax	**(596.54)**	**(194.08)**
Exceptional items	(23.42)	(1,491.66)
Profit / (Loss) for the period / year after exceptional items	**(619.96)**	**(1,685.74)**
Less: Tax expense	(0.62)	(1.11)
Profit / (Loss) for the period / year before share of profit of associate	**(620.58)**	**(1,686.85)**
Share of profit / (loss) of associate	-	-
Profit / (Loss) for the period / year after share of profit / (loss) of associate	**(620.58)**	**(1,686.85)**
Capital employed (segment assets-segment liabilities)		
Fleet operating and chartering	**(905.57)**	**(773.46)**
- Assets	781.79	900.09
- Liabilities	(1,687.36)	(1,673.55)
Oilfields services	**(1,548.15)**	**(1,204.69)**
- Assets	324.53	483.17
- Liabilities	(1,872.68)	(1,687.86)
Unallocated	**(352.26)**	**(6.90)**
- Assets	977.71	962.18
- Liabilities	(1,329.97)	(969.08)
Total	**(2,805.98)**	**(1,985.05)**

c) **Geographical segment**

The geographical information analyses the Group's revenue by the country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographical selling location.

Particulars	**Year ended 31 March, 2021**	**Year ended 31 March, 2020**
	₹ in crore	**₹ in crore**
India	355.19	1,111.66
Singapore	36.36	137.79
Cyprus	13.44	12.10
United Arab Emirates	23.61	21.06
United Kingdom	4.70	55.75
Switzerland	2.84	12.39
Canada	-	-
South Africa	-	0.13
Taiwan	21.70	-
Kuwait	9.84	-
Denmark	2.25	-
Bangladesh	3.11	-
Total	**473.03**	**1,350.88**

d) **Information about major customers**

41% (previous year 66%) of the operating income of the Group was derived from a single customer based in India. The Group provides both Fleet operating services to the said customer.

The main operating assets represent floating fleet, which are not identifiable to any geographical location.

24 Earning per share

The calculation of the basic and diluted earnings per share is based on the following data:

Particulars	Year ended 31 March, 2021 ₹ in crore	Year ended 31 March, 2020 ₹ in crore
Loss for the year before exceptional items	(597.15)	(195.19)
Loss for the year after exceptional items	(620.56)	(1,686.85)
Equity shares at the beginning of the year (nos.)	206,976,072	206,976,072
Equity shares issued during the year (nos.)	-	-
Equity shares at the end of the year (nos.)	206,976,072	206,976,072
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	206,976,072	206,976,072
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	206,976,072	206,976,072
Earnings per share - basic before exceptional items (face value of ₹10/- each)	(28.85)	(9.43)
Earnings per share - diluted before exceptional items (face value of ₹10/- each)	(28.85)	(9.43)
Earnings per share - basic after exceptional items (face value of ₹10/- each)	(29.98)	(81.50)
Earnings per share - diluted after exceptional items (face value of ₹10/- each)	(29.98)	(81.50)

Note:

Equity shares to be issued upon conversion of FCCB and exercise of Employee Stock Option scheme have not been considered for the purpose of calculation of weighted average number of diluted equity shares, as they are anti dilutive.

25 Employee Stock Option Scheme

In the Annual general meeting held on September 9, 2011, the shareholders approved the issue of Employee Stock options under the Scheme titled "Essar Shipping Employee Stock options Scheme -2011" (hereafter named ESOS A).

The ESOS A allows the issue of options to employees and executive Directors of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the Scheme, the Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option shall be determined by the Compensation committee as per the said scheme. The options granted vest in a graded manner over a period of 5/4/3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 7 years from the date of vesting. The Company has issued the said ESOS in two tranches on November 2, 2011 and February 8, 2012 at an exercise price of ₹ 22.30 each, the market price of the shares on the grant date of the ESOS was ₹ 22.30 per share and ₹31.30 per share respectively.

The difference between the market price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

26 Related party relationships, transactions and balances: (as per IND-AS 24)

a) Holding companies

i) Essar Global Fund Limited , Cayman Island, ultimate holding company

ii) IDH International Drilling Holdco Limited, Cyprus, intermediate holding company

iii) Essar Shipping Mauritius Holdings Limited, Mauritius, immediate holding company

b) Associates

i) Varada Drilling One Pte. Limited, Singapore

ii) Varada Drilling Two Pte. Limited, Singapore

iii) Arkay Logistics Limited, India

c) Joint Venture (JV)

i) OGD-EHES JV Private Limited (w.e.f. - November 06, 2020)

d) Key management personnel

i) Mr. Ranjit Singh (President & CEO)
ii) Capt. Rahul Bhargava (Executive Director till 30.09.2020)
iii) Mr. Subimal Mahato (Wholetime Director from 30.09.2020)
iv) Mr. Rajeev Nayyer - (Whole-time Director & CEO till November 06, 2020)
v) Mr. Shaleen Sharma (Whole-time Director from October 19, 2020)
vi) Mr. Ketan Shah (Chief Financial Officer)
vii) Mr. Radhakrishna Murhty (Chief Financial Officer)
viii) Mr. P.K Srivastava (Non- Executive Director till 08.11.2020)
ix) Mr. N. Srinivasan (Non- Executive Director)
x) Capt. B. S. Kumar (Non- Executive Director)
xi) Mr. Dinesh Pande (Non-Executive Director)
xii) Mr. Ramesh Krishnan (Non- Executive Director till 22.05.2020)
xiii) Ms. Sunita Kotian (Non- Executive Director)
xiv) Mr. Sumit Agarwal (Additional Director from 08.02.2021)
xv) Mr. Rajesh Desai (Non-Executive Director from 30.09.2020)
xvi) Ms. Jyotsna Gupta (Company Secretary)
xvii) Mr. Habib Jan (Company Secretary)

e) Fellow subsidiaries / Other related parties :

i) Essar Bulk Terminal Limited
ii) Essar Ports Limited
iii) Essar Shipping (Cyprus) Limited
iv) Essar Oil Exploration & Production Limited
v) Essar Capital (Mauritius) Limited
vi) Essar Steel Metal Trading Limited
vii) AGC Networks Limited
viii) Essar Power (Orissa) Limited
ix) Essar Minmet Limited

f) Trusts:

(i) Essar Shipping Staff Provident Fund Trust
(ii) Essar Shipping Employee Stock Options Trust

g) **Details of transactions with related parties during the year**

₹ in crore

Nature of transactions	Holding Companies / Promoter group companies		Fellow subsidiaries/ Trust/ Associates/ JV		Managerial remuneration / Sitting fees		Total	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from operations								
Essar Steel India Limited	-	-	-	262.14	-	-	-	262.14
Essar Shipping (Cyprus) Limited	-	-	12.14	11.75	-	-	12.14	11.75
Essar Power (Orissa) Limited	-	-	0.09	-	-	-	0.09	-
Essar Minmet Limited	-	-	9.98	-	-	-	9.98	-
Total	**-**	**-**	**22.21**	**273.89**	**-**	**-**	**22.21**	**273.89**
Interest income								
Essar Global Fund Limited	0.10	0.22	-	-	-	-	0.10	0.22
Total	**0.10**	**0.22**	**-**	**-**	**-**	**-**	**0.10**	**0.22**
Managerial remuneration #								
Ranjit Singh	-	-	-	-	1.09	0.58	1.09	0.58
Rajeev Nayyar	-	-	-	-	0.72	1.40	0.72	1.40
Raghupati Mishra	-	-	-	-	-	1.03	-	1.03
Radhakrishna Murthy	-	-	-	-	0.25	0.02	0.25	0.02
Shaleen Sharma	-	-	-	-	0.42	-	0.42	-
Capt Rahul Bhargava	-	-	-	-	0.62	0.60	0.62	0.60
Ketan Shah	-	-	-	-	0.87	0.52	0.87	0.52
Jyotsna Gupta	-	-	-	-	0.29	0.14	0.29	0.14
Subimal Mahato	-	-	-	-	0.44	-	0.44	-
Sitting Fees paid to Non-Executive Directors					0.47	0.27	0.47	0.27
Total	**-**	**-**	**-**	**-**	**5.16**	**4.57**	**5.16**	**4.57**
Agency charges								
Essar Bulk Terminal Limited	-	-	1.12	0.26	-	-	1.12	0.26
Arkay Logistics Limited	-	-	1.34	0.65	-	-	1.34	0.65
Total	**-**	**-**	**2.45**	**0.91**	**-**	**-**	**2.45**	**0.91**
Rent								
Essar Oil Exploration & Production Limited	-	-	0.02	0.34	-	-	0.02	0.34
Total	-	-	**0.02**	**0.34**	-	-	0.02	**0.34**
Repair and maintenance								
Essar Steel India Limited	-	-	-	0.13	-	-	-	0.13
AGC Networks Limited	-	-	0.75	0.01	-	-	0.75	0.01
Total	-	-	**0.75**	**0.14**	-	-	0.75	**0.14**

Professional / Management fees								
Essar Capital (Mauritius) Limited	-	-	0.17	0.18	-	-	0.17	0.18
Total	**-**	**-**	**0.17**	**0.18**	**-**	**-**	**0.17**	**0.18**
Porivison for Impairment								
Essar Capital (Mauritius) Limited	-	-	0.06	-	-	-	0.06	-
Total	**-**	**-**	**0.06**	**-**	**-**	**-**	**0.06**	**-**
Interest expenses								
Essar Holdco Mauritius Limited	-	-	-	13.18	-	-	-	13.18
Arkay Logistics Limited	-	-	0.79	0.76	-	-	0.79	0.76
Total	**-**	**-**	**0.79**	**13.93**	**-**	**-**	**0.79**	**13.93**
Contribution to staff provident fund								
Essar Shipping Staff Provident Fund Trust	-	-	2.06	1.66	-	-	2.06	1.66
Total	**-**	**-**	**2.06**	**1.66**	**-**	**-**	**2.06**	**1.66**
Loans and advances given								
Varada Drilling One Pte Limited	-	-	-	0.30	-	-	-	0.30
Varada Drilling Two Pte Limited	-	-	-	0.26	-	-	-	0.26
IDH International Drilling Holdco Limited	1.10	0.03	-	-	-	-	1.10	0.03
OGD-EHES JV Private Limited	-	-	0.72	-	-	-	0.72	-
Essar Capital Holding Limited	-	-	5.88	-	-	-	5.88	-
Total	**1.10**	**0.03**	**6.60**	**0.56**	**-**	**-**	**7.70**	**0.59**
Invetsment in Equity Shares of Joint Venture								
OGD-EHES JV Private Limited	-	-	0.00	-	-	-	0.00	-
Total	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**-**
Loans and advances received								
Essar shipping Cyprus Limited	-	-	-	0.18	-	-	-	0.18
Total	**-**	**-**	**-**	**0.18**	**-**	**-**	**-**	**0.18**

Does not include the amount payable towards gratuity and compensated absences by the Company as the same is calculated for the Company as a whole on actuarial basis.

h) **Outstanding balances with related parties**

₹ in crore

Nature of transactions	Holding Companies / Promoter group companies		Fellow subsidiaries/ Trust/ associates		Managerial remuneration / Sitting fees		Total	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Trade receivables								
Arkay Logistics Limited	-	-	-	0.91	-	-	-	0.91
Essar Shipping (Cyprus) Limited	-	-	9.81	2.33	-	-	9.81	2.33
Essar Ports Limited	-	-	-	0.13	-	-	-	0.13
Essar Oil & Gas Exploration & Production Limited	-	-	0.90	0.92	-	-	0.90	0.92
Total	**-**	**-**	**10.71**	**4.29**	**-**	**-**	**10.71**	**4.29**
Loans and advances (including interest accrued)								
Essar Global Fund Limited	3.11	4.42	-	-	-	-	3.11	4.42
IDH International Drilling Holdco Limited	98.39	99.77	-	-	-	-	98.39	99.77
Essar Shipping Employee Stock Options Trust	-	-	0.41	0.41	-	-	0.41	0.41
Essar Capital Holdings Limited	-	-	521.48	506.58	-	-	521.48	506.58
Essar Capital (Mauritius) Limited	-	-	-	0.03	-	-	-	0.03
Essar Projects Limited	-	-	25.05	24.76	-	-	25.05	24.76
Essar Energy Holding Limited	-	-	6.95	6.78	-	-	6.95	6.78
Essar Minmet Limited	-	-	5.07	-	-	-	5.07	-
OGD-EHES JV Private Limited	-	-	0.62	-	-	-	0.62	-
Essar Steel Metal Trading Limited	-	-	64.48	183.16	-	-	64.48	183.16
Total	**101.51**	**104.18**	**624.06**	**721.73**	**-**	**-**	**725.56**	**825.91**
Advance received from Customer								
Arkay Logistics Limited	-	-	4.50	4.50	-	-	4.50	4.50
Total	**-**	**-**	**4.50**	**4.50**	**-**	**-**	**4.50**	**4.50**
Trade payables								
Essar Bulk Terminal Limited	-	-	4.45	3.25	-	-	4.45	3.25
Arkay Logistics Limited	-	-	0.58	1.19	-	-	0.58	1.19
AGC Networks Limited	-	-	0.84	0.53	-	-	0.84	0.53
Essar Shipping (Cyprus) Limited	-	-	37.33	44.92	-	-	37.33	44.92
Essar Capital (Mauritius) Limited	-	-	0.88	0.98	-	-	0.88	0.98
Equiptrans Logistics Limited	-	-	0.00	0.00	-	-	0.00	0.00
Essar Shipping Staff Provident Fund Trust	-	-	0.10	0.14	-	-	0.10	0.14
Total	**-**	**-**	**44.19**	**51.01**	**-**	**-**	**44.19**	**51.01**
Loans and advances received								
Arkay Logistics Limited	-	-	21.78	21.87	-	-	21.78	21.87
Essar Holdco Mauritius Limited	-	-	236.21	288.65	-	-	236.21	288.65
Total	**-**	**-**	**302.28**	**361.68**	**-**	**-**	**302.28**	**361.68**

27 Going Concern

As at 31 March, 2021, the Group's Current Liabilities exceed its Current Assets by ₹ 3,715.61 crore, further there are accumulated losses of ₹ 10,221.96 crore as against capital and reserves of ₹ 5,408.82 crore and the group has also defaulted on several loans and recovery actions have been initiated by the lenders. The group has also defaulted on payment of some statutory dues. Company has received notices from Debts Recovery Tribunal / National Compnay Law Tribunal for enforcement of Guarantee given by the company on behalf of a subsidiary company. The lenders have also filed similar recovery applications against the said subsidiary. The following steps are being taken by the management to remedy the position;

1) Loan from a public financial institution along with interest accrued thereon amounting to ₹ 1,503.40 crore classified as Current is expected to be settled as per the one time settlement approved.
2) Group has proposed settlement / restructuring plan with some of the lenders through monetisation of some assets and management is confident of getting positive outcome from the lenders.
3) The Subsidiary company has received settlement plan from one of the lenders and they have successfully settled the loan during the year. Management of subsidiary has proposed the settlement / restructuring plan with balance lenders based on the revenue generation plan and management is confident of getting positive outcome from the lenders.
4) The Group has formulated the business plan to turn profitable in the coming years.

Based on the above, the management feels that the Group will in the future be able to turn around, start making profits and be able to meet its liabilities (including statutory liabilities) as and when they become due. The financial statements are accordingly prepared on going concern basis.

28 Additional Information as required under Schedule III of the Companies Act, 2013

Name of the entity in the group	Net Assets (Total Assets less Total Liabilities)		Share in Profit & Loss		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ in crore)	As a % of Consolidated Profit / (Loss)	Amount (₹ in crore)	As a % of Consolidated Comprehensive Income	Amount (₹ in crore)
Parent						
Essar Shipping Limited	69.82%	(3,176.05)	44.87%	(278.46)	44.83%	(278.26)
Subsidiaries (Indian)						
OGD Services Limited	21.41%	(973.94)	18.24%	(113.21)	18.29%	(113.50)
Starbit Oilfield Services India Limited	0.27%	(12.29)	0.22%	(1.36)	0.22%	(1.36)
Subsidiaries (Foreign)						
OGD Services Holdings Limited	19.17%	(871.94)	14.86%	(92.23)	14.86%	(92.23)
Energy II Limited	-9.96%	452.93	0.09%	(0.55)	0.09%	(0.55)
Essar Shipping DMCC	-0.71%	32.11	21.72%	(134.76)	21.71%	(134.76)
Non controlling interests						
OGD Services Limited (Indian Subsidiary)	-	(251.76)	-	-	-	-
Energy II Limited (Foreign Subsidiary)	-	99.51	-	(0.15)	-	(0.15)
Associates (Indian)						
Arkay Logistics Limited	-	-	-	-	-	-
Associates (Foreign)						
Varada Drilling One Pte Limited	-	-	-	-	-	-
Varada Drilling Two Pte Limited	-	-	-	-	-	-

29 The Holding Company got admitted to Corporate Insolvency Resolution Process due to invocation of corporate guarantee on account of default by the Subsidiary Company. However, subsequently post settlement with the lender after the year end these proceedings have been withdrawn against the Company.

As per our attached report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. : 101961 W/W-100036

Capt. Subimal Mahato
Director
(DIN: 08867107)

N. Srinivasan
Director
(DIN: 0004195)

Himanshu Kishnadwala
Partner
Membership No. 37391
Mumbai
24 June, 2021

Ketan Shah
Chief Financial Officer

Mumbai
24 June, 2021

Jyotsana Gupta
Company Secretary
Membership No. ACS 23899

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