

Date: 12th November, 2022

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BSE Code: 533704

ESSAR
SHIPPING

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

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The Manager
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Subject: Outcome of Board Meeting

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at its meeting held on Saturday, 12th November, 2022 have inter-alia; considered and approved Unaudited Financial results (Standalone and Consolidated) of the Company for the quarter and half year ended 30th September, 2022 along with Limited Review Report, is enclosed herewith.

The meeting of Board of Directors of the Company commenced at 3.00 p.m. and concluded at 4.45 p.m.

Request you to kindly take the same on your records.

Yours faithfully,

For Essar Shipping Limited



Nisha Barnwal
Company Secretary & Compliance Officer
ACS: 66804
Encl: A/a



Independent Auditor's Review Report on Unaudited Standalone Financial Results of the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Essar Shipping Limited** ("the Company") for the quarter and half year ended 30th September 2022, ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors at its meeting held on 12th November 2022, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations as amended. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which, it is to be disclosed, or that it contains any material misstatement.



5. Material Uncertainty Related to Going Concern

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

- The Company's current liabilities exceed its current assets as on 30th September 2022
- Some of the Lenders of the Company's Subsidiary (where the Company is a Guarantor) and the Company's lenders and Public Financial Institution have filed applications before the High Court / National Company Law Tribunal / Debt Recovery Tribunals for recovery of overdue amounts and / or enforcement of guarantees
- The Company has disposed off most of its assets with prior approval of the lenders to pay off its outstanding dues to lenders / vendors and has no revenue generating assets as at the quarter and half year end
- The value of the security offered in connection with various borrowings as at 30th September 2022 is lower than the amounts outstanding to the lenders from last several years due to downturn in shipping and oilfield markets
- The net worth of the Company is eroded and it is incurring continuous losses since last several years

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

As informed to us, the management is exploring business opportunity for a future business built up. (refer Note No. 4 of Standalone Financial Results)

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

6. Emphasis of Matter

- i. We draw attention to Note No.6 of the Standalone Financial Results relating to recognition of revenue amounting to Rs. 369.81 crore (including accrued interest up to 31st March 2018) in the financial year 2017-18 based on compensation granted to the Company in the arbitration proceedings for breach of contract terms by a charterer of which Rs. 305.81 crore remains outstanding receivable as on 30th September 2022. As informed to us, the Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the amount recoverable for the period 1st April 2018 till 30th September 2022.
- ii. Attention is drawn to Standby Letter of Credit (SBLC) issued by the Company with 3 banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked in an earlier year. The Company has settled the loan and paid the dues through monetization of assets. In case of 2 banks, the amounts due have been paid and on receipt of no dues certificates, necessary effect has been given to the One Time Settlement with these banks. In case of the third bank, no due certificate will be provided on the basis of agreed milestone as mentioned in One Time Settlement (OTS), pending which no accounting effect has been given to the OTS with the said bank. The loan amount is recoverable from the subsidiary Company which



- has been impaired to the extent not recoverable.
- iii. Attention is drawn to netting off of amount payable to a wholly owned overseas subsidiary with the amount receivable from the said subsidiary. This is subject to pending application and approval from the regulatory authorities.
 - iv. The Company has availed loans from banks and financial institutions which are secured by charge over various movable and immovable assets of the Company as well as subsidiary / associate / group companies and corporate guarantee of the ultimate Parent Company. The value of the security as at 30th September 2022 is lower than the amount outstanding as at that date due to downturn in shipping and oilfield markets from last several years.
 - v. The Company has issued Non-Convertible Debentures which are inter alia secured by a charge over six rigs owned by one of its subsidiary companies. Out of the said six rigs, three rigs owned by the said subsidiary have been taken possession of and disposed off / sold by a vendor with a view to recover the dues from the said subsidiary Company. The transaction has been intimated by the said subsidiary to the debenture holder.
 - vi. Borrowings from various lenders are subject to confirmation / reconciliation.
- Our conclusion on the Unaudited Standalone Financial Results is not modified for the above matters.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No.: 101961 WW - 100036

Himanshu Kishnadwala

Partner

Membership No. 37391

UDIN: 22037391BCXHVX5929

Place: Mumbai

Date: 12th November, 2022



ESSAR SHIPPING LIMITED

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

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

Statement of Unaudited Standalone Financial Results for the Quarter and Half year ended 30 September, 2022

Sl.No.	Particulars	(₹ in crore)					
		Quarter ended			Half year ended		Year ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
I	Income from operations	1.29	0.67	41.33	1.96	113.59	140.03
II	Other income						
a)	Profit on sale of ships and other assets (net)	-	-	24.56	-	29.95	99.35
b)	Other Income	18.26	0.36	(1.41)	18.62	1.32	62.71
III	Total income from operations (I+II)	19.55	1.03	64.48	20.58	144.86	302.09
IV	Expenses						
a)	Operating expenses	0.25	0.48	24.01	0.73	53.01	61.22
b)	Employee benefit expenses	0.97	1.03	11.31	2.00	24.28	33.39
c)	Finance costs	42.92	44.50	44.99	87.42	94.45	180.22
d)	Depreciation and amortisation expenses	0.00	0.00	9.19	0.00	41.58	45.26
e)	Other expenses	4.39	2.30	1.66	6.69	3.62	6.56
	Total expenses	48.53	48.31	91.16	96.84	216.94	326.65
V	Profit / (Loss) for the period / year before exceptional items and tax (III-IV)	(28.98)	(47.28)	(26.68)	(76.26)	(72.08)	(24.57)
VI	Exceptional items (refer Note no.3)						
	Income	-	-	35.70	-	330.65	570.56
	Expense	-	-	(26.73)	-	(788.66)	(795.71)
VII	Profit / (Loss) for the period / year before tax and after exceptional items (V+VI)	(28.98)	(47.28)	(17.71)	(76.26)	(530.09)	(249.71)
VIII	Tax expenses	16.71	-	(0.10)	16.71	(0.26)	(0.26)
IX	Profit / (Loss) after tax (VII+VIII)	(12.26)	(47.28)	(17.81)	(59.55)	(530.35)	(249.97)
X	Other comprehensive income net of tax	(0.02)	-	(0.20)	(0.02)	(0.20)	0.23
XI	Total comprehensive loss net of tax (IX+X)	(12.29)	(47.28)	(18.01)	(59.57)	(530.55)	(249.75)
XII	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98	206.98	206.98	206.98	206.98
XIII	Reserves excluding revaluation reserves	-	-	-	-	-	(3,503.32)
XIV	Earnings per share before exceptional items (EPS)						
	(a) Basic (in ₹)	*(0.59)	*(2.28)	*(1.29)	*(2.88)	*(3.5)	*(1.2)
	(b) Diluted (in ₹)	*(0.59)	*(2.28)	*(1.29)	*(2.88)	*(3.5)	*(1.2)
XV	Earnings per share after exceptional items (EPS)						
	(a) Basic (in ₹)	*(0.59)	*(2.28)	*(0.86)	*(2.88)	*(25.62)	*(12.08)
	(b) Diluted (in ₹)	*(0.59)	*(2.28)	*(0.86)	*(2.88)	*(25.62)	*(12.08)

* Not annualised



Statement of Standalone Assets and Liabilities as at 30 September, 2022

(₹ in crore)

Particulars	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	0.13	0.14
(b) Investments in subsidiaries and associates	35.77	35.77
(c) Financial assets		
- Other financial assets	-	-
(c) Other non-current assets	4.17	1.84
Total non-current assets	40.08	37.75
Current assets		
(a) Inventories	-	-
(b) Financial assets		
i. Investments	1.65	1.61
ii. Trade and other receivables	1.97	5.50
iii. Cash and cash equivalents	16.52	18.93
iv. Loans	0.00	0.00
v. Other financial assets	310.54	310.57
(c) Other current assets	28.34	26.93
Total current assets	359.01	363.54
TOTAL ASSETS	399.09	401.29
EQUITY AND LIABILITIES		
Equity		
Equity share capital	206.98	206.98
Other Equity		
Reserves and surplus	(3,562.90)	(3,503.32)
Total equity	(3,355.92)	(3,296.35)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,655.56	1,664.99
Total non-current liabilities	1,655.56	1,664.99
Current liabilities		
(a) Financial liabilities		
i. Borrowings	836.95	846.55
ii. Trade payables		
- Total outstanding dues to micro and small enterprises	-	-
- Total outstanding dues to creditors other than micro and small enterprises	23.58	32.57
iii. Other financial liabilities	1,235.88	1,150.51
(b) Employee benefit obligations	2.87	2.83
(c) Other current liabilities	0.17	0.19
Total current liabilities	2,099.45	2,032.65
Total liabilities	3,755.01	3,697.64
TOTAL EQUITY AND LIABILITIES	399.09	401.29



1 The above Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 12 November, 2022.

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

3 Exceptional Items comprise of the following:

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
Income						
Reversal of Provision for impairment of loans & advances receivable from subsidiary	-	-	0.03	-	0.66	0.66
Reversal of provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment.	-	-	35.77	-	35.77	35.77
Gain on foreclosure of Finance Lease	-	-	-	-	294.16	294.16
Profit on sale of compulsory convertible preference shares of Subsidiary Company (Net of write back of provision for diminution made in earlier years Rs. 629 crore)	-	-	-	-	0.06	0.06
Gain from One Time Settlement of Loans	-	-	-	-	-	239.91
Expense						
Provision for impairment as per Ind AS 36 in the fair value of subsidiaries based on independent valuation report	-	-	-	-	252.66	252.66
Provision for impairment of loans and advances receivable from subsidiary	-	-	26.73	-	536.00	543.05

4 As on 30 September 2022, the net worth of the Company is eroded as it is incurring losses since last several years. The Company has accumulated losses of Rs. 8,574.35 crore as against share capital and reserves of Rs. 5011.15 crore and the Company's current liabilities exceeds its current assets. The company has not carried out any voyage during the quarter as international shipping tariff rates are not viable for in chartering activities. Post monetisation of assets to reduce its liabilities, the company is now looking at appropriate opportunities for a future business built up. The Company's experience of 40+ years in marine transportation and logistics will be a pillar of strength to chalk out future business strategy. In view of these, the Financials have been prepared on a Going Concern basis.


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

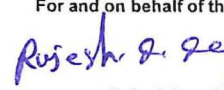
6 During the year 2017-18, the Company had recognized income from an Arbitration Award along with interest accrued thereon amounting to Rs. 369.81 crore. The dispute in this regard has been adjudged in favor of the Company by the Arbitrator. On the direction of the Supreme Court, the contractor has deposited 50% of the awarded amount with the Court, pending disposal of the case. The interest on the awarded amount will be considered on final adjudication of the case.

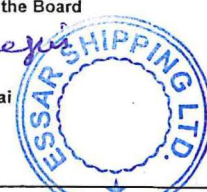
7 The figures for the quarter ended 31 March 2022 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year.

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

Place : Mumbai
Date : 12 November, 2022



For and on behalf of the Board

 Rajesh Desai
 Director



ESSAR SHIPPING LIMITED
Standalone Statement of Cash Flows for the Half year ended 30 September, 2022

(₹ in crore)

Particulars	Half Year ended 30 September, 2022	Year ended 31 March, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(76.26)	(249.71)
Adjustments for :		
Exceptional Items		
- Reversal of Provision for impairment of loans & advances receivable from subsidiary	-	(0.66)
- Provision for Impairment as per Ind AS 36 in the fair value of subsidiaries based on management assessment and valuation report	-	252.66
- Reversal of provision for impairment as per Ind AS 36 in the fair value of an associate based on management assessment.	-	(35.77)
- Provision for Impairment of loans and advances receivable from Subsidiary	-	543.05
- Gain on foreclose of Finance Lease	-	(294.16)
- Profit on sale of compulsory convertible preference shares of OGD Services Ltd.	-	(0.06)
Gain on sale/Fair Vale of current investment measured at FVTPL	-	(0.33)
Gain on One Time Settlement	-	(239.91)
Other non-operating income	(4.72)	(46.55)
Depreciation	0.00	45.26
Finance costs	87.42	180.22
Profit on sale of fleet	-	(99.35)
Interest income	(11.40)	(15.10)
Unrealised foreign exchange gains	-	(0.83)
Operating profit before working capital changes	(4.95)	38.76
Changes in working capital:		
(Increase) / Decrease in inventories	-	9.27
(Increase) / Decrease in trade receivables, loans and advances and other assets	5.58	(118.00)
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(8.97)	45.54
Cash generated from operations	(8.34)	(24.43)
Income taxes refunded / (paid), net	10.93	8.05
Net cash generated from operating activities	2.59	(16.38)
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of vessel	0.00	358.37
(Purchase) / Sale of Current Investments (Net)	(0.04)	4.95
Proceeds/(Investment) in Bank deposits	0.25	(11.43)
Proceeds from sale of investments	-	0.06
Intercompany deposits given to Subsidiary	-	(6.41)
Intercompany deposits repaid back by Subsidiary	-	98.19
Interest received	11.40	15.10
Net cash (used in) / generated from investing activities	11.61	458.83
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Deposits	0.02	129.66
Repayment of intercompany deposits	-	(70.25)
Repayment of long-term loans	(14.33)	(508.03)
Finance costs paid	(2.05)	0.49
Net cash used in financing activities	(16.36)	(448.13)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(2.16)	(5.69)
Unrealised foreign currency loss on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	7.50	13.19
Cash and cash equivalents at the end of the year	5.34	7.50



Independent Auditor's Review Report on Unaudited Consolidated Financial Results of Essar Shipping Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Essar Shipping Limited** (hereinafter referred to as the "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entity for quarter and half year ended 30th September, 2022, ("The Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). This Statement includes the results of the subsidiaries, associate and jointly controlled entity as given in the Annexure to this report.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors at its meeting held on 12th November 2022, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. Based on our review conducted and procedures performed stated in paragraph 3 above, on the consideration of review reports of Subsidiaries' auditors and management certified unaudited financial results of subsidiaries referred to in paragraph 6 & 7 below and read with our comments in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India,



has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Material Uncertainty Related to Going Concern

We draw attention to Note No. 5 and 6 of the Unaudited Consolidated Financial Results wherein it is stated that

- The Group's current liabilities exceed its current assets as on 30th September 2022.
- Some of the lenders of one of the subsidiaries (where the Holding Company is a Guarantor) and the Holding Company's lenders and Public Financial Institution have filed applications before the High Court / National Company Law Tribunals / Debt Recovery Tribunals for recovery of overdue amounts and / or enforcement of guarantees.
- The Holding Company has disposed off most of its assets, with prior approval of lenders, to pay off its outstanding dues to lenders / vendors and has no revenue generating assets as at the year end.
- The value of the security offered in connection with various borrowings as at 30th September 2022 is lower than the amounts outstanding to the lenders.
- The net worth of the Group has eroded, and the Group has been incurring continuous losses since last several years.

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

As informed to us, the management is exploring business opportunity for future business build up. (Refer Note No. 5 of Consolidated Financial Results).

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

6. Emphasis of Matter

- a. We draw attention to our observations in paragraph 5 above whereby, in spite of several factors mentioned therein, the results are prepared on "Going Concern" basis.
- b. In case of certain subsidiaries, the respective auditors have pointed out that the concerned financial statements / results have been prepared on going concern basis in view of the representation by the management that it is confident of rolling over its short-term borrowings to address cash flow mismatches.
- c. We draw attention to Note No. 7 of the Consolidated Financial Results relating to recognition of revenue amounting to Rs. 369.81 crore (including accrued interest up to 31st March 2018) in the financial year 2017-18 based on compensation granted to the Holding Company in the arbitration proceedings for breach of contract terms by a charterer of which Rs. 305.81 crore remains outstanding receivable as on 30th September 2022. As informed to us, the Holding Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1st April 2018 till 30th September 2022.
- d. Attention is drawn to Standby Letter of Credit (SBLC) issued by the Company with 3 banks for Rs. 687.37 crore to secure a loan availed by a subsidiary, which were invoked in an earlier year. The Company has settled the loan and paid the dues through monetization of assets. In case of 2 banks the amounts due have been paid and on receipt of no dues certificates, necessary effect has been given to the One Time Settlement with these banks. In case of the third bank, no due certificate will be provided on the basis of agreed milestone as mentioned in One Time Settlement (OTS), pending which no



accounting effect has been given to the OTS with the said bank. The loan amount is recoverable from the subsidiary Company which has been impaired to the extent not recoverable.

- e. In case of one subsidiary, the Company had availed term loan of USD 5 million from a Bank and as on 30th September 2022, USD 2.266 million principal amount is outstanding after the Restructuring plan being initiated, which shall be paid as per the terms of the Restructuring Plan.
- f. In case of the Holding Company and one of the subsidiaries, the Company has availed loans from banks and financial institutions which are secured by charge over various movable and immovable assets and corporate guarantee of the intermediate Holding Company. Majority of the immovable assets have either been held for sale or have been sold. The value of the security as at 30th September 2022 is lower than the amount outstanding as at that date due to downturn in shipping and oilfield markets from last several years.
- g. The Holding Company has issued Non-Convertible Debentures which are inter alia secured by a charge over six rigs owned by one of its subsidiaries. Out of the six rigs, three rigs owned by the said subsidiary have been disposed off / sold by a vendor in the preceding year with a view to recover the dues from the said subsidiary Company to the said vendor. The said transaction has been intimated by the subsidiary to the debenture holder.
- h. In case of a subsidiary, during the year, the Company has entered into a settlement agreement with one of its lenders to settle the outstanding dues to the said party. The Company has made upfront payment in terms of the said settlement agreement but has defaulted in payment of the dues payable on or before 30th September 2022. Further, the Company is in the process of reconciling the amount payable under the settlement agreement. Pending reconciliation of amounts payable and compliance with payment requirements under the settlement agreement, no effect has been given to the settlement agreement in the accounts of the said subsidiary Company for the quarter and half year ended 30th September 2022.
- i. In case of the Holding Company and a subsidiary, borrowings from various lenders are subject to confirmation / reconciliation.

Our Opinion is not modified for the above matters.

7. Other Matters

- a. We have reviewed the financial results of one subsidiary for Consolidation purpose, whose financial results reflect net assets of Rs. (1036.85) crore as at 30th September 2022, total revenue of Rs. 13.35 crore and Rs. 29.19 crore and total comprehensive loss (comprising of net loss after tax and other comprehensive income) of Rs. (15.58) crore and Rs. (17.04) crore for the quarter and half year ended on 30th September 2022 respectively and cash flows of Rs. 8.11 crore for the half year ended 30th September 2022, as considered in the Unaudited Consolidated Financial Results. These financial results and other financial information have been reviewed by us on the basis of information furnished to us by the management of the said company.
- b. The Statement also includes the unaudited interim financial results of one step-down subsidiary whose interim financial information reflect Group's share of total net assets of Rs. (12.50) crore as at 30th September 2022, Group's share of total revenue of Rs. 0.02 Crore and Group's share of total comprehensive profit after tax of Rs. 0.07 crore and Rs. (0.01) crore for the quarter and half year ended on 30th September 2022 respectively and cash flows of Rs. 0.26 Crore for the half year ended 30th September 2022. These unaudited interim financial results and other unaudited financial



information have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on such unaudited interim financial results and other unaudited financial information provided by the management. In our opinion and according to the information and explanations given to us by the Board of Directors, these unaudited interim financial results and other unaudited financial information are not material to the Group.

- c. In case of an associate, share of profit / (loss) for the quarter and half year ended 30th September 2022 has not been included in the consolidated financial results. In our opinion and according to the information and explanations given to us by the Board of Directors, these unaudited interim financial results of the said associate are not material to the Group.
- d. For the jointly controlled entity, share of profit / (loss) is NIL for the quarter and half year ended 30th September 2022 respectively and Cash flows of Rs. 6.44 crore for the quarter and half year ended on 30th September 2022 is considered based on management certified accounts. In our opinion and according to the information and explanations given to us by the Board of Directors, these unaudited interim financial results of the said jointly controlled entity are not material to the Group.

Our conclusion on the Unaudited Consolidated Financial Results is not modified for the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Board of Directors of the respective companies.

For C N K & Associates LLP

Chartered Accountants

Firm Registration Number: 101961W / W-100036

Himanshu Kishnadwala

Partner

Membership No. 37391

UDIN: 22037391BCXIMV3923



Mumbai

Date: 12th November 2022

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

List of Subsidiaries/step down subsidiaries

1. OGD Services Holdings Limited (formerly known as Essar Oilfields Services Limited) (Mauritius)
2. OGD Services Limited (formerly known as Essar Oilfield Services India Limited)
3. Energy II Limited
4. Essar Shipping DMCC
5. Starbit Oilfields Services India Limited

List of Associate

1. Arkay Logistics Limited (not consolidated for the quarter ended 30th September 2022)

List of Jointly Controlled Entity

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

AW



ESSAR SHIPPING LIMITED

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

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

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended 30 September, 2022

		(₹ in crore)					
SI.No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
I	a) Income from operations						
	Fleet operating and chartering	1.29	0.67	147.29	1.96	278.69	300.54
	Rig operating and chartering	15.55	15.00	1.62	30.55	8.54	24.91
	Other operating income	-	-	(3.82)	-	4.61	2.89
	b) Other income						
	Profit on sale of ships and other assets (net)	0.06	0.13	24.56	0.19	29.95	99.35
	Other Income	32.42	8.78	12.09	41.21	14.74	125.49
	Total income from operations	49.32	24.59	181.74	73.91	336.53	553.18
II	Expenses						
	a) Operating expenses	1.89	0.93	76.06	2.81	183.20	204.47
	b) Employee benefits expenses	1.93	2.10	12.74	4.03	28.56	39.97
	c) Finance costs	75.47	67.59	100.89	143.05	211.33	356.47
	d) Depreciation	12.67	12.26	24.37	24.93	71.71	105.92
	e) Other expenses	5.56	3.29	4.42	8.85	7.81	20.93
	Total expenses	97.52	86.16	218.48	183.68	502.61	727.76
III	Profit / (Loss) for the period / year before exceptional items, tax and share of profit of associate	(48.20)	(61.57)	(36.74)	(109.77)	(166.08)	(174.58)
IV	Exceptional items (refer note 4)						
	Income	(6.61)	50.92	35.77	44.31	147.31	387.23
	Expense	(5.25)	(4.99)	(6.13)	(10.24)	(299.60)	(293.42)
V	Profit / (Loss) for the period / year after exceptional items and before tax	(60.06)	(15.64)	(7.10)	(75.70)	(318.37)	(80.77)
VI	Tax expenses	16.71	-	(0.10)	16.71	(0.26)	(0.26)
VII	Profit / (Loss) for the period / year after tax before share of profit of associate	(43.35)	(15.64)	(7.20)	(58.99)	(318.63)	(81.03)
VIII	Share of profit / (loss) of associate	2.87	-	22.56	2.87	22.56	3.00
IX	Profit / (Loss) for the period / year after share of profit / (loss) of associate	(40.47)	(15.64)	15.36	(56.12)	(296.07)	(78.03)
	Attributable to:						
	-Shareholders of the Parent	(40.54)	(15.71)	15.37	(56.26)	(296.06)	(78.49)
	-Non-controlling interests	0.07	0.07	(0.01)	0.14	(0.01)	0.46
X	Other comprehensive income net of tax	0.01	-	(0.18)	0.01	(0.18)	0.23
XI	Total comprehensive profit / (loss) net of tax	(40.46)	(15.64)	15.18	(56.11)	(296.25)	(77.80)
	Attributable to:						
	-Shareholders of the Parent	(40.53)	(15.71)	15.19	(56.25)	(296.24)	(78.26)
	-Non-controlling interests	0.07	0.07	(0.01)	0.14	(0.01)	0.46
XII	Paid-up equity share capital (face value of ₹10/- each)	206.98	206.98	206.98	206.98	206.98	206.98
XIII	Total Reserves						(5,120.77)
XIV	Earnings per share before exceptional items (EPS)						
	(a) Basic (in ₹)	*(1.38)	*(2.97)	*(0.69)	*(4.36)	*(6.95)	(8.3)
	(b) Diluted (in ₹)	*(1.38)	*(2.97)	*(0.69)	*(4.36)	*(6.95)	(8.3)
XV	Earnings per share after exceptional items (EPS)						
	(a) Basic (in ₹)	*(1.96)	*(0.76)	*0.74	*(2.71)	*(14.3)	(3.77)
	(b) Diluted (in ₹)	*(1.96)	*(0.76)	*0.74	*(2.71)	*(14.3)	(3.77)
	* Not annualised						



Statement of Consolidated Assets and Liabilities as at 30 September, 2022

(₹ in crore)

Particulars	As at	As at
	30 September, 2022 (Unaudited)	31 March, 2022 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	91.44	111.91
(b) Capital work-in-progress	0.00	-
(c) Investments	38.65	38.77
(d) Financial assets		
- Other financial assets	-	-
(e) Other non-current assets	4.17	1.84
Total non-current assets	134.26	152.52
Current assets		
(b) Inventories	9.07	9.02
(c) Financial assets		
i. Investments in Mutual Fund	1.65	1.61
ii. Trade and other receivables	33.04	24.56
iii. Cash and cash equivalents	34.91	29.56
iv. Loans	599.26	455.94
v. Other financial assets	301.40	395.75
(d) Other current assets	70.48	67.47
(e) Asset classified as held for sale	12.25	33.50
Total current assets	1,062.07	1,017.41
TOTAL ASSETS	1,196.33	1,169.93
EQUITY AND LIABILITIES		
Equity		
Equity share capital	206.98	206.98
Other Equity		
Reserves and surplus	(5,256.53)	(5,120.77)
Non-controlling Interests	275.82	267.88
Total equity	(4,773.73)	(4,645.91)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,668.01	1,678.07
Total non-current liabilities	1,668.01	1,678.07
Current liabilities		
(a) Financial liabilities		
i. Borrowings	2,259.83	2,234.30
ii. Trade payables	73.83	94.20
iii. Other financial liabilities	1,924.16	1,767.40
(b) Employee benefit obligations	2.87	3.03
(c) Current tax liabilities	28.28	30.23
(d) Other current liabilities	13.09	8.61
Total current liabilities	4,302.06	4,137.77
Total liabilities	5,970.07	5,815.84
TOTAL EQUITY AND LIABILITIES	1,196.33	1,169.93



1 The above Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 12 November 2022.

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

3 Exceptional items comprise of the following:

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
Income						
Gain on One Time Settlement with bank	(0.00)	44.31	-	44.31	111.54	351.45
Reversal of Provision / Impairment for doubtful receivables / advances	(6.61)	6.61	-	-	-	-
Reversal of Provision for impairment as per Ind AS 36 in the fair value of the associate based on management assessment & valuation report.	-	-	(35.77)	-	(35.77)	35.77
Expense						
Provision / Impairment for doubtful receivables / advances	5.25	4.99	6.13	10.24	11.92	30.76
Impairment of fixed assets / capital work-in-progress	-	-	-	-	287.68	262.65

4 The Results for the quarter ended 30 September, 2022 are available on the Bombay Stock Exchange website (URL: www.bseindia.com/corporates), the National Stock Exchange website (URL: www.nseindia.com/corporates) and on the Company's website (URL: www.essar.com).

5 As on 30 September 2022, the Group's net worth is negative and current liabilities exceeds its current assets. The Management is taking appropriate steps to rectify this working capital deficit by negotiating with lenders to settle the loans through monetizing certain assets and last year, the Group has settled the loan with lenders by monetizing assets. The Management is hopeful for arriving at a mutually agreed settlement with balance lenders also. The Holding Company has not carried out any voyage during the quarter as international shipping tariff rates are not viable for in chartering activities. Post monetisation of assets to reduce its liabilities, the Holding company is now looking at appropriate opportunities for a future business built up. The Holding Company's experience of 40+ years in marine transportation and logistics will be a pillar of strength to chalk out future business strategy and based on the business prospects in oilfield business, the Financials have been prepared on a Going Concern basis.

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

7 During the year 2017-18, the Holding Company had recognized income from an Arbitration Award along with interest accrued thereon amounting to Rs. 369.81 crore. The dispute in this regard has been adjudged in favour of the Company by the Arbitrator. On the direction of the Supreme Court, the contractor has deposited 50% of the awarded amount with the Court, pending disposal of the case. The interest on the awarded amount will be considered on final adjudication of the case.

8 The figures for the quarter ended 31 March 2022 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year.

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

Place: Mumbai
Date: 12 November, 2022



For and on behalf of the Board

Rajesh Desai
Rajesh Desai
Director



ESSAR SHIPPING LIMITED
Consolidated Statement of Cash Flows for the half year ended 30 September, 2022

(₹ in crore)

Particulars	Half year ended 30 September, 2022	Year ended 31 March, 2022
	Unaudited	Audited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(75.70)	(80.77)
Adjustments for :		
Exceptional Items		
- Provision / Impairment for doubtful receivables / advances	10.24	30.76
- Impairment of fixed assets / capital work-in-progress	-	262.66
- Gain on One Time Settlement with bank	(44.31)	(351.45)
- Reversal of Provision for impairment as per Ind AS 36 in the fair value of the associate based on management assessment & valuation report.	-	(35.77)
Gain on sale/Fair Value of current investment measured at FVTPL	-	(0.33)
Depreciation	24.93	105.92
Finance costs	143.05	356.47
Interest income	(24.29)	(39.61)
Unrealised foreign exchange gain	(1.24)	(0.83)
Operating profit before working capital changes	32.68	247.05
Changes in working capital:		
(Increase) / Decrease in inventories	(0.05)	11.36
(Increase) / Decrease in trade receivables, loans and advances and other assets	2.47	71.12
Increase / (Decrease) in trade payables, other liabilities and short term provisions	(14.67)	(203.37)
Cash generated from operations	20.44	126.16
Income taxes refunded / (paid), net	8.80	14.14
Net cash generated from operating activities	29.23	140.30
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment of capital expenditure on Property, Plant and Equipment including capital advances and Capital	-	-
Proceeds from sale of property, plant and equipment	16.79	411.08
(Purchase) / Sale of Current Investments (Net)	(0.04)	4.95
Loans given	-	-
Security deposit received/(refunded)	-	-
Proceeds/(Investment) in Bank deposits	0.28	57.80
Interest received	13.46	19.13
Net cash (used in) / generated from investing activities	30.48	492.96
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from intercorporate deposits	-	129.66
Repayment of intercorporate deposits	-	(70.25)
Repayment of long-term loans	59.79	(683.18)
Finance costs paid	(45.08)	(2.98)
Net cash used in financing activities	14.71	(626.75)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	74.42	6.50
Foreign currency translation reserve	(68.82)	(15.45)
Cash and cash equivalents at the beginning of the year	18.13	27.08
Cash and cash equivalents at the end of the year	23.73	18.13
Note:		
Reconciliation between cash and cash equivalents and cash and bank balances.		
Particulars	As at 30 September, 2022	As at 31 March, 2022
Cash and cash equivalents as per cash flow statement	23.73	18.13
Add: margin money deposits not considered as cash and cash equivalents as per Ind AS-7	4.00	4.00
Cash and bank balances (Restricted and Unrestricted)	27.73	22.13



ESSAR SHIPPING LIMITED

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

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

Audited Consolidated Segment wise Revenue, Results and Capital employed for the quarter and half year ended 30 September, 2022

Particulars	(₹ in crore)					
	Quarter ended			Half year ended		Year ended
	30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
Segment Revenue						
Operating Income						
Fleet operating and chartering	1.29	0.67	143.26	1.96	283.36	302.70
Rig operating and chartering	15.55	15.00	2.97	30.55	9.90	27.81
Total	16.84	15.67	146.23	32.51	293.26	330.51
Less: Inter segment revenue	-	-	(1.14)	-	(1.41)	(2.16)
Total Income from operations	16.84	15.67	145.09	32.51	291.85	328.35
Other income unallocated	32.48	8.91	36.65	41.39	44.69	224.84
Total Income	49.32	24.57	181.74	73.91	336.54	553.18
Segment Results						
Fleet operating and chartering	26.36	4.80	80.63	31.16	80.80	241.66
Rig operating and chartering	0.89	1.21	(16.48)	2.10	(35.55)	(59.84)
Total	27.25	6.01	64.15	33.26	45.25	181.82
Less: Unallocated interest and finance costs	(75.47)	(67.59)	(100.90)	(143.06)	(211.33)	(356.47)
Profit / (Loss) before tax	(48.21)	(61.57)	(36.74)	(109.80)	(166.08)	(174.65)
Exceptional items	(11.86)	45.93	29.64	34.07	(152.29)	93.81
Profit / (Loss) for the period / year after exceptional items	(60.07)	(15.64)	(7.10)	(75.73)	(318.37)	(80.84)
Less: Tax expense	16.71	-	(0.10)	16.71	(0.26)	(0.26)
Profit / (Loss) for the period / year before share of profit of associate	(43.36)	(15.64)	(7.20)	(59.02)	(318.63)	(81.10)
Share of profit / (loss) of associate	2.87	-	22.56	2.87	22.56	3.00
Profit / (Loss) for the period / year after share of profit / (loss) of associate	(40.48)	(15.64)	15.36	(56.14)	(296.07)	(78.10)
Capital employed (segment assets-segment liabilities)						
Fleet operating and chartering	11.84	(795.76)	(1,032.44)	(783.94)	(1,032.44)	(765.20)
- Assets	13.33	63.04	261.62	76.37	261.62	81.63
- Liabilities	(1.50)	(858.81)	(1,294.06)	(860.31)	(1,294.06)	(846.83)
Oilfields services	(66.05)	(1,939.11)	(1,822.53)	(2,005.16)	(1,822.53)	(1,922.43)
- Assets	(12.12)	231.42	284.88	219.30	284.88	236.61
- Liabilities	(53.93)	(2,170.53)	(2,107.41)	(2,224.46)	(2,107.41)	(2,159.04)
Unallocated	(24.23)	(292.36)	(271.93)	(316.61)	(271.93)	(280.21)
- Assets	18.92	881.74	934.60	900.66	934.60	851.69
- Liabilities	(43.16)	(1,174.11)	(1,206.53)	(1,217.27)	(1,206.53)	(1,131.90)
Total	(78.45)	(3,027.23)	(3,126.90)	(3,105.72)	(3,126.90)	(2,967.84)



For and on behalf of the Board

Rajesh Desai

Rajesh Desai
Director



Place: Mumbai
Date: 12 November, 2022