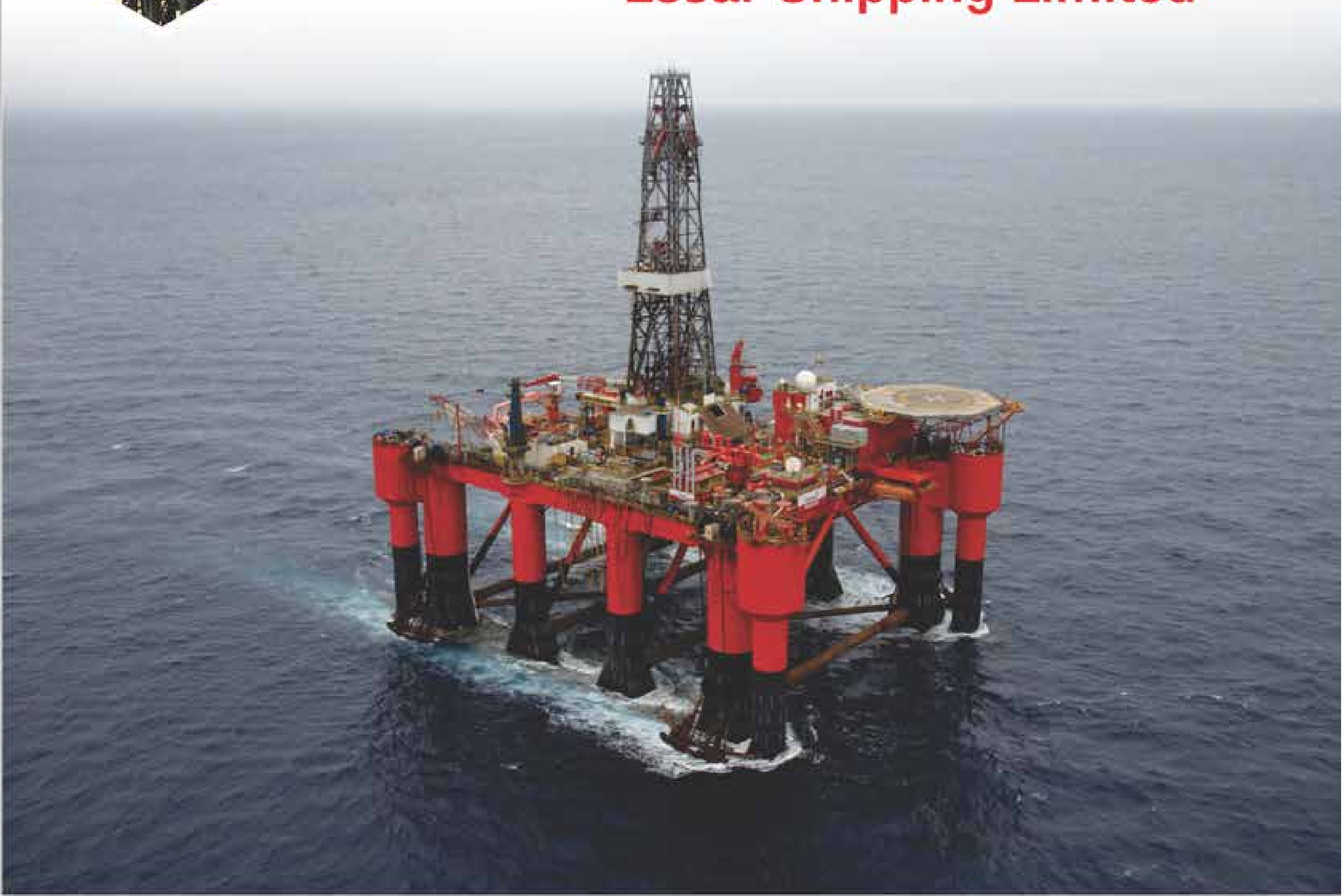
Annual Report 2022-23

Essar Shipping Limited



13TH ANNUAL REPORT FOR THE FINANCIAL YEAR 2022-23

BOARD OF DIRECTORS

Mr. R. Suresh
Independent Non- Executive Director
& Chairman
(w.e.f. 29.09.2021)

Mr. R. Jayakumar
Independent Non- Executive Director
(w.e.f. 29.09.2021)

Mr. Sunil Modak
Independent Non- Executive Director
(w.e.f 08.09.2022)

Ms. Raji Chandrashekar
Independent Non- Executive Director
(w.e.f 08.09.2022)

Mr. Rajesh Desai
Executive Director
(w.e.f. 12.11.2021)

Ms. Raichel Mathew
Non- Executive Director
(w.e.f 08.09.2022)

Mr. N. Srinivasan
Independent Director & Chairman
(till 08.09.2022)

Captain Bhupinder Singh Kumar
Independent Non- Executive Director
(till 08.09.2022)

Ms. Saraswathy Subramanian
Non- Executive Director
(till 08.09.2022)

Mr. Ranjit Singh
President and Chief Executive Officer
(till 30.09.2022)

Mr. Ketan Shah
Chief Financial Officer (till 30.09.2022)

Mr. Vipin Jain
Chief Financial Officer (w.e.f. 01.10.2022)

Ms. Nisha Barnwal
Company Secretary (w.e.f 23.09.2021)

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

INTERNAL AUDITOR

DMKH & CO.
311, 3rd Floor, Pratik Mall, Near Swaminarayan Dham, Kudasan, Gandhinagar, Gujarat – 382421

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 **Thirteenth** Annual General Meeting (the Meeting) of the Members of Essar Shipping Limited (the Company) will be held on Friday, September 29, 2023 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, 17/2020, 20/2021, 03/2022 and 11/2022 dated May 5, 2020, April 8, 2020, April 13, 2020, December 8, 2021, May 5, 2022 and December 28, 2022 respectively, to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2023 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, 2023 together with the reports of Auditors thereon;
3. To appoint a Director in place of Ms. Raichel Mathew(DIN: 09625593), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Raichel Mathew (DIN: 09625593), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution**

   "RESOLVED THAT in terms of the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendments, notifications, or re-enactment(s) if any, as may be applicable, (hereinafter the "Act"), other applicable laws, rules, circulars and regulations and in compliance with the Memorandum of Association and the Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in granting of such approvals permissions and sanctions which may be agreed to by the Members of the Company, the consent of the members of the Company be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to making offer(s) or invitation(s) to subscribe to, issue and allot (by way of private placement) up to 4,00,00,000 1% Non-Convertible Debentures ("NCDs") for an aggregate subscription amount of up to Rs. 4,00,00,00,000/- to M/s. Essar Steel Metal Trading Limited a company incorporated under the laws of India, with corporate registration number 046272 and having its Corporate office at Mumbai, Maharashtra on preferential basis by conversion of outstanding unsecured loan into NCDs in one or more tranches on private placement offer letter to be issued by the Company and debentures trust Deed to be executed in relation to the issue of debentures (Debentures Trust Deed) between the Company and Beacon Trusteeship Limited as the Debentures trustee (Debentures trustee) and on such terms as set out in the debentures trust deed and so such acts as may be required in this regard to give effect to this resolution.

   RESOLVED FURTHER THAT the aforesaid resolutions shall come into effect immediately and any one Director be and are hereby authorized to issue a certified true copy of this resolution to the concerned authorities /parties as may be necessary and they be requested to rely upon the authority of the same.

   RESOLVED FURTHER THAT, for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the preferential issue of the NCDs without being required to seek any further clarification, consent or approval of the shareholders of the Company and that the shareholders of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

   RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

5. **To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 177 and 188 of the Companies Act, 2013 ("the Act") and Regulation 23(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company's Policy on "Materiality of Related Party Transactions and also on dealing with Related Party Transactions", subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approvals, consents, permissions and/ or sanctions which may be agreed to by the Board of Directors of the Company, 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 any and all material related party agreement(s) and/or transaction(s)and/or contract(s) (whether by way of an individual transaction or all transactions taken together), as may be appropriate, with the following Related Parties as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of LODR Regulations inter-alia, 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)		
				2023-2024	From April 01, 2023 till the date of 13th Annual General Meeting	From 29th September 2023 till the date of 14th Annual General Meeting to be held in calendar year 2024
1	OGD Services Holdings Limited	Subsidiary Company	Income from Management Services	9.00	4.00	5.00
2	Essar Investment Holdings Mauritius Limited	Associates	Income from Management Services	7.47	0.00	7.47
3	Futura Travels Limited	Associates	Ticket & Visa charges	1.00	0.20	0.80
4	Drillxplore Private Limited	Joint Venture	Investment in Joint Venture	0.01	0.01	0.00
5	Essar Shipping Limited Employees Provident Fund	Provident Fund Trust	Contribution of Provident Fund amount of Employees	2.00	0.09	1.91
6	Equinox Reality Holdings Limited	Associates	Sale of shares of Subsidiaries	800.00	0.00	800.00
7	IDH Drilling Holdco Limited	Holding Company	Redemption of FCCBs	1537.62	0.00	1537.62
8	Essar Shipping DMCC	Subsidiary Company	Receipt against receivables (Net)	560.00	0.00	560.00
9	Essar Steel Metal Trading Limited	Associate Company	Issue of Secured NCDs	400.00	0.00	400.00

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, if any 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 and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from powers herein conferred to, without being required to seek further consent/approval of the members of the Company."

6. **SALE OF OVERSEAS DIRECT INVESTMENTS(ODI) AND REDEMPTION OF FOREIGN CURRENCY CONVERTIBLE BONDS(FCCBS):**

A. **Disinvestment in Overseas Subsidiary (Energy II Limited, Bermuda) under Section 180(1)(a) of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

"**RESOLVED THAT** pursuant to the provisions of section 180(1)(a), and other applicable provisions if any, of the Companies

Act, 2013, and the relevant rules made thereunder, and pursuant to regulation 24 and 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), the Memorandum and Articles of Association of the company and subject to other requisite approvals to the extent necessary as may be required, the consent of the Members of the Company be and is hereby accorded to sell/ transfer or otherwise dispose-off in one or more tranches, the entire investments i.e. 39,037,276 shares held in Energy II Limited, a subsidiary company in Bermuda to Equinox Realty Holdings Limited, Mauritius for a consideration in USD 60.12 Mn as mutually agreed between both the parties, or to any other purchasers with whom the Board may finalize the agreement and on such other terms and conditions as may be approved by the Board.

RESOLVED FURTHER THAT for the purpose of implementation of this resolution, the Board / or such committee be and is hereby authorized to do all such acts, deeds, matter and things, including but not limited to deciding the time, mode, manner, extent of tranches, if required and other terms and conditions of the disinvestment/ sales of the shares as aforesaid, negotiating and finalizing the terms of sale/ offer for sale as may be necessary, desirable and expedient to be agreed, and all incidental and necessary steps for and on behalf of the company and to settle all questions or queries that may arise in the course of implementing this resolution."

B. **Disinvestment in Overseas wholly owned Subsidiary (Essar Shipping DMCC, Dubai) under Section 180(1)(a) of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 180(1)(a), and other applicable provisions if any, of the Companies Act, 2013, and the relevant rules made thereunder, and pursuant to regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), the Memorandum and Articles of Association of the company and subject to other requisite approvals to the extent necessary as may be required, the consent of the Members of the Company be and is hereby accorded to sell/ transfer or otherwise dispose-off in one or more tranches, the 100% investment i.e. 1,37,122 shares held in Essar Shipping DMCC, a subsidiary company in Dubai to Equinox Realty Holdings Limited, Mauritius for a consideration in USD 37.34 mn. agreed between the parties, to the purchasers and at the consideration not less than the amount as mentioned below; or to any other purchasers with whom the Board may finalize the agreement and on such other terms and conditions as may be approved by the Board.

RESOLVED FURTHER THAT for the purpose of implementation of this resolution, the Board / or such committee be and is hereby authorized to do all such acts, deeds, matter and things, including but not limited to deciding the time, mode, manner, extent of tranches, if required and other terms and conditions of the disinvestment/ sales of the shares as aforesaid, negotiating and finalizing the terms of sale/ offer for sale as may be necessary, desirable and expedient to be agreed, and all incidental and necessary steps for and on behalf of the company and to settle all questions or queries that may arise in the course of implementing this resolution."

C. **Disinvestment in Overseas wholly owned Subsidiary (OGD Services Holdings Limited, Mauritius) under Section 180(1)(a) of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 180(1)(a), and other applicable provisions if any, of the Companies Act, 2013, and the relevant rules made thereunder, and pursuant to regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), the Memorandum and Articles of Association of the company and subject to other requisite approvals to the extent necessary as may be required, the consent of the Members of the Company be and is hereby accorded to sell/ transfer or otherwise dispose-off in one or more tranches, the entire investments i.e. 246,600,001 equity shares and 2,07,23,227, 0.01% Compulsory Convertible Preference Shares held in OGD Services Holdings Limited, a wholly owned subsidiary company in Mauritius to Equinox Realty Holdings Limited, Mauritius for a total consideration at fair market value (FMP) as agreed between the parties to the purchasers and at the consideration not less than the amount as mentioned below; or to any other purchasers with whom the Board may finalize the agreement and on such other terms and conditions as may be approved by the Board:

RESOLVED FURTHER THAT for the purpose of implementation of this resolution, the Board / or such committee be and is hereby authorized to do all such acts, deeds, matter and things, including but not limited to deciding the time, mode, manner, extent of tranches, if required and other terms and conditions of the disinvestment/ sales of the shares as aforesaid, negotiating and finalizing the terms of sale/ offer for sale as may be necessary, desirable and expedient to be agreed, and all incidental and necessary steps for and on behalf of the company and to settle all questions or queries that may arise in the course of implementing this resolution."

7. To Consider and approve material Related Party Transaction (RPT) of sale of Overseas Direct Investments(ODI):

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

"RESOLVED THAT pursuant to the provision of Section 177 and 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with the SEBI Circular dated November 22, 2021, the consent of the Members be and is hereby accorded for the following related party transactions, the details of which are mentioned in the explanatory statement of Agenda of 7 with the subsidiaries of the Company, i.e., Energy II Limited, Bermuda, Essar Shipping DMCC, Dubai and OGD Services Holdings Limited, Mauritius in connection to sale of Overseas Direct Investments (ODI) made in the aforesaid subsidiaries.

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."

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

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the Members of the Company, be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s) ; (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) ; and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs.1000 crores(Rupees One thousand crores) outstanding at any time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013**.**

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, any one of the Directors or Chief Financial officer or Company Secretary of the Company be and are hereby severally authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By Order of the Board
Sd/-
Nisha Barnwal
Company Secretary and
Compliance Officer
ACS 66804

Place: Mumbai
Mumbai, August 25, 2023

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. The Ministry of Corporate Affairs ("MCA") vide its General Circular Nos.14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No.20/2020 dated 5th May, 2020, Circular No.02/2021 dated 13th January, 2021, Circular No.19/2021 dated 8th December, 2021,Circular No.21/2021 dated 14th December, 2021, Circular No.02/2022 dated 5th May, 2022 and Circular No. 10/2022 dated 28th December, 2022 ("MCA Circulars") has permitted to conduct the Annual General Meeting through video conferencing ("VC") or other audiovisual means ("OAVM") upto 30th September, 2023. In compliance with the aforesaid MCA Circulars, the 13th Annual General Meeting ("13th AGM" or "Meeting") of the Members of the Company will be held through VC/OAVM, without the physical presence of the Members. 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, 2023 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith(Collectively referred to as Annual Report) 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. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

4. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website and on the website of the Company's Registrar and Transfer Agents. It may be noted that any service request can be processed only after the folio is KYC Compliant.

5. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.essar.com/investors/essar-shipping-limited/dematerialisation-of-shares/. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the Company in case the shares are held in physical form.

6. Members holding shares in physical form, are requested to convert their physical shareholding in to dematerialized shareholding. Please note that transfer of shares in physical form is not permissible as per SEBI guidelines. In this regard, the Members/legal heirs of deceased Members are also requested to open demat account simultaneously for dematerialising the shares to their demat account(s) after transmission of shares in their name by the RTA of the Company.

7. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03rd November, 2021 and SEBI/HO/MIRSD/ MIRSD RTAMB/ P/CIR/2021/687 dated 14th December, 2021 has provided the norms for furnishing PAN, KYC details and Nomination by holders of physical securities. Pursuant to the aforesaid SEBI Circular, the Company has sent individual communications to all the Members holding shares of the Company in physical form. In case of physical shareholders who have not updated their KYC details may please submit Form ISR-1, Form ISR-2, Form ISR-3 and Form No. SH-13. The link for downloading the forms is available on the Company's website at https://www.essar.com/investors/essar-shipping-limited/dematerialisation-of-shares/ and RTA₹s website at http://dsrc.com/bpm/

8. Those Shareholders whose email IDs are not registered can get their Email ID registered as follows:

   - Members holding shares in demat form can get their E-mail ID registered by contacting their respective Depository Participant.
   - Members holding shares in the physical form can get their E-mail ID registered by contacting our Registrar and Share Transfer Agent "Data Software Research Company Private Limited" on their email ID essar.shipping@dsrc-cid.in or by sending the duly filled in E-communication registration form enclosed with this Notice to our RTA on their email id essar.shipping@dsrc-cid.in

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act

10. In compliance with the said Circulars, the Company has also published a public notice by way of an advertisement made dated 08th September, 2023 in Jai Hind and Business Standard, 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.

11. The members who have not yet registered their e- mail ids with the Company may contact Mr. Radha Krishna, on e-mail essar.shipping@dsrc-cid.in or phone no. 044-28213738 / 28214487 for registering their e- mail ids on or before Friday, 22nd day of September, 2023 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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, 2023. 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.

17. 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:

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 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 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 esl.secretarial@essarshipping.co.in. The same will be replied by the Company suitably.

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 Friday, September 22, 2023 to Friday, September 29, 2023 (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 esl.secretarial@essarshipping.co.in before the 13th AGM.

15. The Members may send request for inspection of all other relevant documents referred to in the accompanying notice/ explanatory statement at esl.secretarial@essarshipping.co.in before the 13th AGM.

16. The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2022-2023 shall also be available on the Company's website www.essar.com

17. The Board of Directors has appointed M/s Martinho Ferrao & Associates, Company Secretaries 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 within two working days from the date of AGM.
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. Nisha Barnwal, Company Secretary of the Company at esl.secretarial@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 e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

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

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

The remote e-voting period begins on Tuesday, September 26, 2023 at 09:00 A.M. and ends on Thursday, September 28, 2023 at 05:00 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., 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, 2023.

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

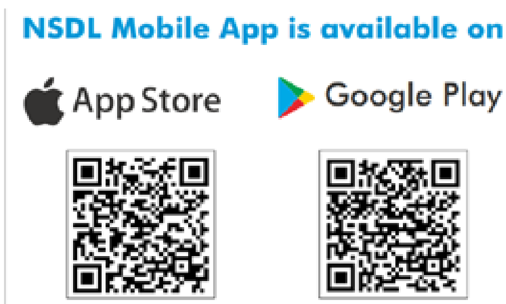
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are 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 hold 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 company name or **e-Voting service provider i.e. 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. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. 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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting 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 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 mferraocs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Veena Survana) 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 to esl.secretarial@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 esl.secretarial@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.

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

Item no.4

The Board is hereby informed that assessing the current circumstances where the Company does not own any operating assets and is unable to generate revenue. Due to this Company has not paid interest to the outstanding loan provided by group Company. Therefore, the Board of Directors of the Company (Board) at its meeting held on 25th August 2023 has accorded its approval, subject to the approval of the shareholders of the Company by way of a special resolution, to convert said loan into Secured, Redeemable, Unlisted, and Non-Convertible Debentures (herein referred as "NCDs" by issuing up to 4,00,00,000 1% Secured, Redeemable, Unlisted, Unrated, Non-Convertible Debentures (herein referred as "NCDs") of face value of Rs. 100/- each for an aggregate subscription amount of up to Rs. 400,00,00,000/- on private placement offer letter to be issued by the Company to Essar Steel Metal Trading Limited a company incorporated under the laws of India, with corporate registration number 046272 and having its corporate office at Mumbai, Maharashtra on preferential basis by conversion of outstanding unsecured loan into NCDs in one or more tranches as the Board thereof may in it absolute discretion think fit.

In accordance with, Sections 42 and Section 62 of the Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of a Special Resolution.

In accordance with the provisions of the Companies Act, 2013 and rules made thereunder, the disclosures in relation to the offer to subscribe to the NCDs on a private placement basis are set forth below:

The Board of Directors of the Company is desirous of issuing upto 4,00,00,000 1% Secured, Redeemable, Unlisted, Unrated, Non-Convertible Debentures (herein referred as "NCDs") of the aggregate nominal value of up to Rs. 400,00,00,000/- at par, in dematerialised form on a private placement basis (the "NCDs"). The terms of the Debentures shall be as identified below.

(a) **Particulars of the offer including date of passing of Board resolution**: The Company proposes to raise up to INR 400,00,00,000/-by offering and issuing by way of private placement up to 4,00,00,000 1% Secured, Redeemable, Unlisted, Unrated, Non-Convertible Debentures (herein referred as "NCDs") of face value of Rs. 100/- each

The resolution of the Board approving the offer of the NCDs was passed on 25th August, 2023.

(b) **Kinds of securities offered and the price at which security is being offered**: Up to 4,00,00,000 1% Secured, Redeemable, Unlisted, Unrated, Non-Convertible Debentures (herein referred as "NCDs") of face value of Rs. 100/- each

(c) **Basis or justification for the price (including premium, if any) at which the offer or invitation is being made**: Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 100 (Indian Rupees One Hundred) per Debenture.

(d) **Name and address of the valuer who performed valuation**: Not applicable in case of issue of NCDs.

(e) **Amount which the company intends to raise by way of such securities**: Up to INR 4,00,00,00,000.

(f) **Material terms of raising such securities, proposed time schedule, purposes or objects of the offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities:**

1. *Each NCD is of Rs.100 each.*
2. *NCDs shall carry interest at 1% per annum payable annually.*
3. *NCDs shall get redeemed at values stated hereunder*

   At the option of holder

   After 6 months from the date of issue but before 9 month – at Rs.100 per NCD.

   After 12 months from the date of issue but before 18 month – at Rs.109 per NCD.

   After 24 months from the date of issue but before 30 month – at Rs.118 per NCD.

   At the option of the issuer

   After 6 months from the date of issue but before 9 month – at Rs.106 per NCD.

   After 12 months from the date of issue but before 18 month – at Rs.115 per NCD.

   After 24 months from the date of issue but before 30 month – at Rs.124 per NCD.
4. *All outstanding NCDs shall get redeemed at the end of 36 months from the date of issue at Rs.130 per NCD.*
5. *The NCDs shall be secured by first charge on all current assets, receivables and Arbitration award receivable from Steel Authority of India Limited (SAIL) of the Issuer.*
6. *The NCDs shall not be listed on any stock exchange.*

8. *Maximum Amount of NCD = Rs. 324 crs*
9. *Security Amount = Rs. 305.81 crs*

(g) **Proposed time schedule: Within 12 months from passing of the enabling resolution by the shareholders of the Company.**

Issue Open: October 03, 2023

Issue Close: within 12 months passing of the enabling resolution by the shareholders of the Company

Pay in date: N.A

Deemed date of Allotment: Date of passing Board Resolution for allotment

(h) **Purposes or objects of offer:** As mentioned above

(i) **Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of the objects:** No NCDs are being offered to promoters, directors or key managerial personnel of the Company.

(j) **Principal terms of assets charged as securities:** The NCDs shall be secured by first charge on all current assets, receivables and Arbitration award receivable from Steel Authority of India Limited (SAIL) of the Issuer.

None of the Directors of the Company or any of their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item mentioned in the Notice.

The Board recommends the Special Resolution set out at Item mentioned in the accompanying Notice for approval by the members of the Company.

Item No. 5.

The Company is an integrated logistics services provider engaged in the businesses of sea transportation, logistics services and oilfields services. The Company in the ordinary course of its business provides Consultancy service to M/s. OGD Services Holdings Limited and M/s. Essar Investment Holdings Mauritius Limited for the operation of Wildcat and Jack up rig.

The Company has also entered into a Joint-Venture agreement amongst OGD Services Holdings Limited, Mauritius, & Essar Power Limited and Essar Shipping Limited ('the Company') with the object of providing Oil & Gas Drilling Services and for providing services ancillary and akin to M/s. Drillxplore Private Limited. The Company has a Trust Fund "Essar Shipping Limited Employees Provident Fund" in which the amount of contribution of provident fund of office staff is deposited by the Company.

Further the Company pays Ticket charges to M/s. Futura Travels Limited for all the ticket bookings of the employees of the Company which is required to be done. The Company also have receivables from M/s. Essar Shipping DMCC.

All are Related Parties of the Company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the LODR Regulations.

The applicable provisions of Regulation 23(4) of the LODR Regulations, mandates prior approval of shareholders of a listed entity by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the Company and at an arm's length basis. Further, with effect from April 1, 2022, the shareholders' approval should be obtained for related party transactions which, in a financial year, exceed the lower of (i) Rs 1,000 crore; or (ii) 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

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 an Ordinary Resolution. All related party transactions of the Company and its Subsidiaries are at arm's length and in the ordinary course of business.

Further, all related party transactions are undertaken after obtaining prior approval of the Audit Committee. All related party transactions have been unanimously approved by the Audit Committee after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals. The related party transactions between the Company and its Indian subsidiaries and between the Indian subsidiaries and their related parties are also approved by the audit committees of the respective subsidiaries (wherever applicable), consisting of majority of independent directors. Further, the transactions entered earlier are being ratified in accordance with the approval of the Members of the Company.

The details as required under Regulation 23(4) of the Listing Regulations read with SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 and the material related party transactions for which the approval of the shareholders is being sought fall into the following two categories:-

Information pursuant to SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:

1. Transaction with Subsidiary/Associate of the Company:

1.	**Details of summary of information provided by the Management to the Audit Committee**	
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	OGD Services Holdings Limited, Essar Shipping DMCC
b.	Name of the director or key managerial personnel who is related, if any and nature of relationship	None

c.	Nature, material terms, monetary value and particulars of contracts or arrangement	As mentioned in the resolution
d.	Value of Proposed Transaction	Amount mentioned in the resolution for corresponding period
e.	Tenure of the proposed transaction	12 months from the date of approval
f.	Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year	53.3%
2.	Justification for the transaction	For Business purpose
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	NA
i.	details of the source of funds in connection with the proposed transaction	N.A
ii.	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure	N.A
iii.	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	N.A
iv.	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	N.A
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	N.A
5.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	
6.	Any other information that may be relevant	

2. Transaction with subsidiary/associate/Joint Venture of the subsidiary company

1.	Details of summary of information provided by the Management to the Audit Committee	
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Essar Investment Holdings Mauritius Limited, Futura Travels Limited, Drillxplore Private Limited, Essar Shipping Limited Employees Provident Fund, Equinox Reality Holdings Limited, IDH Drilling Holdco Limited
b.	Name of the director or key managerial personnel who is related, if any and nature of relationship	None
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	As mentioned in the resolution
d.	Value of Transaction	Amount mentioned in the resolution for corresponding period
e.	Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year	
f.	Tenure of the proposed transaction	12 months from the date of approval
2.	Justification for the transaction	For Business purpose
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	N.A

v.	details of the source of funds in connection with the proposed transaction	N.A
vi.	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure	N.A
vii.	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	N.A
viii.	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	N.A
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	N.A
5.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	NA
6.	Any other information that may be relevant	

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 Ordinary 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. 5 of this Notice, except to the extent of their shareholding in the Company, if any.

Item No. 6 &7

Essar Shipping Ports and Logistics Limited (ESPLL), Mumbai had issued Foreign Currency Convertible Bonds ("FCCBs") for USD 280 Million with IDH Drilling Holdco Limited (formerly known as Essar Shipping and Logistics Limited) and Essar Shipping and logistics limited, Cyprus on August 17, 2010.

Pursuant to the Demerger of ESPLL, these FCCBs were split as under:

- USD 240 million to Essar Shipping Limited
- USD 40 million to Essar Ports Limited

IDH International Drilling Holdco Ltd (IDH), Cyprus is a subscriber to the FCCBs of ESL and also holds 10% stake in ESL.

The extract of the terms of the FCCBs are given below:

Sr.no	Particulars	Remark
1.	Bonds	Series-A USD150 Million Series-B USD130 Million
2.	Face value	USD 1,00,000 per bond No. of bonds: 2800 *USD 1,00,000 Total USD 280 Million
2.	Issue Date	On or about 17 August 2010
3.	Maturity Date	Originally due on August 24, 2015 and August 24, 2017. 3 extensions have been made pursuant to RBI approval and the FCCBs matured on August 24, 2023.
5.	Interest	5% p.a. payable half yearly
6.	Conversion Price	Rs.91.70 per Share (the FCCBs are not proposed to be converted.)
8.	Exchange rate on conversion of Bonds	Rs.46.94 to USD 1.00

Now, Essar Shipping Limited (ESL) proposes to redeem the said FCCBs by selling its ODI investment in the following Subsidiary Companies to Equinox Realty Holdings Limited, Mauritius which is a related party to the Company.

a. Energy II Limited, Bermuda, subsidiary company

b. Essar Shipping DMCC, Dubai, wholly owned subsidiary company

c. OGD Services Holdings Limited, Mauritius, wholly owned subsidiary company.

The entire proceeds from the above sale of ODI investment shall be utilized for the purpose of redemption of FCCBs amounting to INR Rs. 1537.62 crore.

The Bond holder and Essar Shipping Limited ("ESL") had agreed to freeze the liability at INR Rs. 1537.62 crore vide letter dated August 31, 2017 in case the bonds get redeemed. Accordingly, ESL will redeem the FCCBs at Rs. 1537.62 crores.

In the interim, pending sale of the ODI investments, etc. ESL may also take a secured loan from M/s. Abhinand Ventures Private Limited (AVPL) aggregating to upto Rs 2000 cr. The loan will be secured by a charge on the ODI and will get repaid from sale of ODI investments. The proceeds of loan from AVPL may be utilised to redeem the FCCBs liability of Rs 1,537.62 crores.

The loan proposed to be raised from AVPL is permitted pursuant to the provisions of the section 180 of the Companies Act, 2013 and in terms of shareholders resolution dated September 26, 2014 authorising the company to borrow upto Rs 5,000 cr and outstanding as on date of loan availed.

The members of the Company are further informed that according to the provisions of Section 180(1)(a), 188 of Companies Act, 2013 Regulation 23, 37A of the SEBI (LODR) Regulations, 2015, the Board of Directors can exercise its powers to sell/transfer their immovable and movable assets to secure its borrowings, with the consent of the shareholders obtained by way of Special Resolution. Hence, consent of the Members is being sought for sale of investment of the Company in its subsidiaries. Further, such a special resolution shall be acted upon only if the votes cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution.

Information pursuant to SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:

Transaction with Subsidiary/Associate of the Company

Sr. No	Details	Energy II Limited, Bermuda	Essar Shipping DMCC, Dubai	OGD Services Holdings Limited, Mauritius
1	Type, material terms and particulars of the proposed transaction	Sale of ODI Investment	Sale of ODI Investment	Sale of ODI Investment
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	**Name:** Energy II Limited, Bermuda **Relationship:** Subsidiary Company	**Name:** Essar Shipping DMCC, Dubai **Relationship:** Wholly owned Subsidiary Company	**Name:** OGD Services Holdings Limited, Mauritius **Relationship:** Wholly owned Subsidiary Company
3	Tenure of the proposed transaction (particular tenure shall be specified)	Within 180 days from the date of AGM of 2022-23.	Within 180 days from the date of AGM of 2022-23.	Within 180 days from the date of AGM of 2022-23.
4	Value of the proposed transaction;	60.12 mn	37.34 mn	At Fair Market Value (FMP)
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	Amount of total Income = Rs. 22.02 crs (13.38%) ESL's Consolidated Income- Rs.164.59 Crs EIIL - Net-worth = Rs. 391.18 crs ESL Consolidated Net-Worth = Rs.2,742.08 Crs (Negative) EIIL- Net-worth contribution (%) = 14.27 % (Negative)	Amount of total Income = Rs. 35.64 crs (21.65%) ESDMCC- Net-worth= Rs. 413.30 crs (Negative) ESDMCC- Net-worth contribution (%) = 15.07%	Amount of total Income = Rs. 68.25 crs (41.46%) OGDSHL - Net-worth = Rs. 1,048.34 crs (Negative) OGDSHL- Net-worth contribution (%) = 38.23%

6	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: i)details of the source of funds in connection with the proposed transaction; ii)where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure iii)applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv)the purpose for which the funds will be utilizedby the ultimate beneficiary of such funds pursuant to the RPT	NA	NA	NA
7	Justification as to why the RPT is in the interest of the listed entity;	The entire sale proceeds from the sale of investment shall be utilized for Redemption of FCCBS	The entire sale proceeds from the sale of investment shall be utilized for Redemption of FCCBS	The entire sale proceeds from the sale of investment shall be utilized for Redemption of FCCBS
8	A copy of the valuation or other external party report, if any such report has been relied upon	Yes, valuation report is available on the website of the Company "http://www.essar.com"	Yes, valuation report is available on the website of the Company "http://www.essar.com"	Yes, valuation report is available on the website of the Company "http://www.essar.com"
9	Any other information that may be relevant	It is a related party transaction. Transaction is being done on arm's length basis, as the transaction will not be less than the fair market value as per OI Rules **	It is a related party transaction. Transaction is being done on arm's length basis, as the transaction will not be less than the fair market value as per OI Rules **	It is a related party transaction. Transaction is being done on arm's length basis, as the transaction will not be less than the fair market value as per OI Rules **

****The FEM (Overseas Investment) Rules, 2022; (ii) the FEM (Overseas Investment) Directions, 2022; and (ii) the FEM (Overseas Investment) Regulations, 2022 (collectively referred to as the "OI Rules")**

Further, in terms of Regulation 24(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), the Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50 per cent or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting. Further, Regulation 24(6) of the SEBI Listing Regulations, provides that no company shall sell, dispose of assets amounting to more than 20 per cent of the assets of the material subsidiary on an aggregate basis during a financial year without passing a special resolution in its general meeting. The approval of the shareholders sought shall also be considered as compliance under Regulation 24(5) and 24(6) of the SEBI Listing Regulations.

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 & 7 of this Notice, except to the extent of their shareholding in the Company, if any.

Item No. 8.

In terms of the provisions of Section 186 of the Companies Act, 2013 and rules made thereunder, no Company shall directly or indirectly, without prior approval by means of special resolution passed at a general meeting, give any loan to any person or other body corporate or give guarantee or provide security in connection with a loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise the securities of any other body corporate, exceeding sixty percent of its paid up capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

The Board of Directors of the Company have approved and recommended the increasing of the limit vide its resolution dated August 16, 2023 and have also provided their approval for calling AGM. Hence, consent of the Members is being sought by way of a special resolution to make investment or to give loan/guarantee or provide security to other body corporate upto Rs.1000 Crores, in excess of limits specified under Section 186 of the Companies Act, 2013, as set out at item No.8 of this Notice.

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. 7 of this Notice, except to the extent of their shareholding in the Company, if any.

By Order of the Board
Sd/-
Nisha Barnwal
Company Secretary and Compliance Officer
ACS 66804

Place: Mumbai
Mumbai, August 25, 2023

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

DIRECTORS' REPORT

To the Members of Essar Shipping Limited

Your Directors are pleased to present the Thirteenth Annual Report and Audited Financial Statements of the Company for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS:

The Company's financial performance, for the year ended March 31, 2023 is summarized below: -

Particulars	Rs. in Crore			
	Consolidated		Standalone	
	For the year ended 31-03-2023	For the Year ended 31-03-2022	For the year ended 31-03-2023	For the Year ended 31-03-2022
Total Income	164.59	553.18	38.86	302.09
Total Expenditure	28.46	265.36	16.52	101.18
EBITDA	136.13	287.82	22.34	200.91
Less: Interest & Finance charges	131.57	356.47	94.65	180.22
Less: Provision for Depreciation	41.14	105.92	0.22	45.26
Profit / (Loss) before Tax	(36.58)	(174.58)	(72.53)	(24.57)
Less: Provision for Tax	26.46	(0.26)	26.46	(0.26)
Profit / (Loss) for the year before share of profit of associate	(10.12)	(174.84)	(46.07)	(24.83)
Add: Exceptional item	1,660.33	93.81	1,738.78	(225.15)
Add: Share of profit of associate	0.24	3.00	-	-
Add: Other Comprehensive Income/loss	0.17	0.23	0.17	0.23
Profit / (Loss) for the year	1,650.62	(77.80)	1,692.88	(249.75)

DIVIDEND

In view of accumulated losses from the previous financial years and with a view to conserve the resources, your Board of Directors have not recommended any dividend for the year ended 31st March, 2023.

CHANGE IN THE NATURE OF BUSINESS ACTIVITIES:

During the year under review, there was no change in the nature of the business activities of the Company

Overview of the World Economy & Shipping Industry

The general worsening in the global economic situation and macroeconomic indicators has caused the international economy to slow down due to Ukraine war, with apprehensions of an impending recession.

Certainty has been in short supply in the world of shipping in recent years. Shippers, manufacturers, and carriers have all had to adapt to rapidly changing circumstances, from the lingering impacts of COVID to geopolitical conflicts, from stocking trends to industrial action.

The hard pill to swallow is that 2023 will present its own set of challenges across every level of the industry. Shippers and carriers alike will need to be prepared for the implications of shifting capacity levels, an industry-wide shift to a more sustainable future, and a challenging global economic climate.

Indeed, this has already become a reality in some countries, with organisations such as the World Trade Organisation and the International Monetary Fund suggesting that certain economies in western Europe have already entered a mild recession and are further cautioning that the debilitating effects thereof will inevitably spill over to other underdeveloped economies and perhaps result in a worldwide recession, akin to what was witnessed in 2009.

Globally, the anticipation is that the recession's severity will be mild but long-term. Consequently, consumer confidence in developed countries has already taken a hit, and discretionary spending is being curbed. The withdrawal of Covid-related fiscal stimulus by most Governments will also add to the recessionary effect.

The lower demand for goods and products will result in fewer factory orders and manufacturing activity in China and other manufacturing locations, resulting in a decline in EXIM volumes – thus covering the entire supply chain.

In 2023, Carriers are expected to have surplus capacity and will likely drop rates to attract volumes, benefitting cargo owners and end consumers.

Sustainability in the Shipping Industry:

As we look forward to an era without fossil fuels and fastrack energy transition, sustainability becomes the most important factor for assessing any industry.

As a sector contributing significantly to GHG emissions, the industry as a whole is aiming to reduce its environmental impact and contribute to global efforts to combat climate change. Key aspects of sustainability in the shipping industry include reducing greenhouse gas (GHG) emissions, complying with environmental regulations, managing waste and recycling, protecting biodiversity and marine conservation, practicing corporate social responsibility (CSR), promoting sustainable supply chain management, and driving innovation and technology.

The International Maritime Organization (IMO), the principle policy making body, has set ambitious targets to reduce GHG emissions from shipping, and the industry is exploring measures such as using cleaner fuels, adopting energy-efficient technologies, optimizing vessel design and operations, and investing in alternative propulsion systems.

Compliance with environmental regulations such as the Ballast Water Management Convention and MARPOL is crucial, and waste management, recycling, and biodiversity conservation are also important aspects of sustainability. Corporate social responsibility principles are being incorporated into shipping companies' operations, and sustainable supply chain management is gaining prominence.

How sustainability is set to transform the industry

The drive towards a more sustainable future in shipping has been gaining momentum in recent years reflected not only in legislation but also in the carrier order books. 2023 marks the first year where ships will be required to collect and report on emissions data, mandated by new IMO (International Maritime Organisation) regulations.

In 2024, this data will then be used to issue ratings to ships, with poorly performing vessels required to improve or face being idled. This new reporting and rating framework represents the latest regulatory updates from the IMO. The new frameworks aim to achieve their overall goal of reducing the carbon intensity of all ships by 40% by 2030, compared to the 2008 baseline.

This industry shift is also evident in order books for new vessels, with more sustainable dual-fuel ships accounting for an increasing proportion of new orders. Dual fuel engines can operate on both conventional fuel sources and more sustainable forms of energy such as LNG, preparing carriers for the transition from traditional fossil fuels.

The CSSC (Chinese State Shipbuilding Corporation) reported that 31.6% of vessels completed in 2022 were dual-fuel ships. The proportion of dual fuel ship orders is expected to continue to rise in 2023 and grow exponentially in the future as carriers look for more sustainable fuel sources.

Biofuels also presents a unique opportunity to the industry for a more sustainable future. Created from biomass, some biofuels, such as dimethyl Esther, are able to 'drop in' and replace existing fuel sources without requiring extensive modifications to engines.

Therefore they can be considered the most readily available low emissions fuel option. However, they are substantially more expensive than traditional sources.

While biofuels may be considered a costly alternative to traditional fuel sources and will require investment, the onus cannot just lie on carriers to make adjustments and bear costs.

Creating a more sustainable future requires action across the industry. Not only by carriers, but also by ports, manufacturers, and shippers to support this investment in a greener future.

The role of digitization in 2023

Along with the drive for capacity management, sustainability and efficiency from carriers, we are likely to see an increased role for supply chain technology in 2023.

Disruptions in 2022 highlight the importance of implementing new technologies into the shipping industry, including:

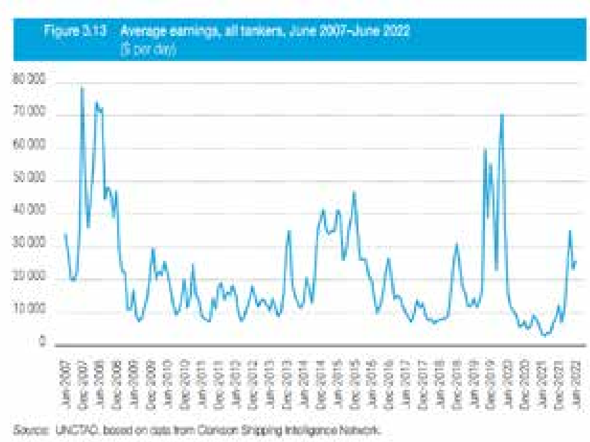
- Monitoring and anticipating disruptions, to help build supply chain resilience.
- Using real-time information to improve forecast accuracy, and better plan ship utilisation.
- Implementing purchase order management to better gauge arrival times for specific products, and reduce origin dwell times.
- Reporting and analysis of scope 3 emissions to ensure compliance with recognised standards such as the GHG Protocol and ISO 14000.

BUSINESS PERFORMANCE, OPPORTUNITIES AND OUTLOOK

Freight rates and Maritime trade by Cargo type

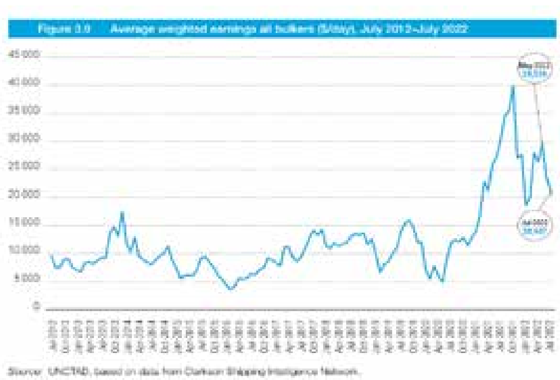
According to UNCTAD, the increase in global dry bulk freight rates and grain prices will increase global consumer food prices by 1.2 per cent. The effects would be greater in the middle-income economies that import more primary food products than in the low-income economies that import more processed food. The world can also expect regular disruption in supply chains which will need to be more resilient and agile. Freight rates are likely to fluctuate in the face of the ongoing COVID-19, the war in Ukraine, economic policy uncertainties, geopolitical risks, energy and food security, energy and sustainability regulations and decarburization. Soaring freight rates will drive up food and energy.

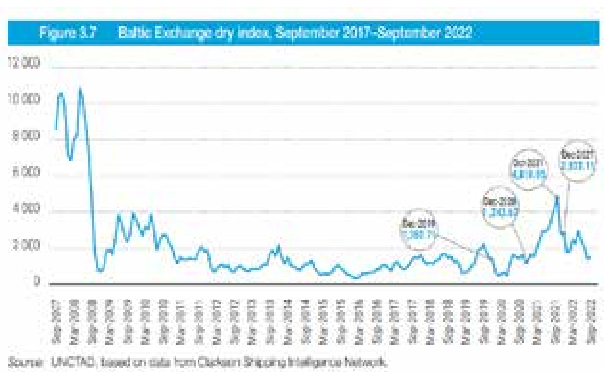
a. Tanker trade:



In 2021, seaborne oil-trading volume remained below pre-pandemic levels, with a sharp decline in long-haul crude oil exports from the Middle East and the United States. But at the same time, tanker supply continued to grow, with more vessels delivered than scrapped, particularly for larger crude carriers. As a result, there has been a steep fall in freight rates. Between 2020 and 2021, average annual daily tanker earnings fell from $24,877 to $6,416, the lowest level ever, though they started to rise towards the end of the year with increases for crude oil. In 2021, supply capacity was reduced by increased scrapping. The war in Ukraine boosts tanker freight rates. Earnings remained low into early 2022, but in February 2022 the war in Ukraine led to major spikes on some routes, and some prices were also pushed up by shifts in oil trade fows. Between January and March 2022, the cost of moving crude oil, as tracked by the Baltic dirty tanker index (BDTI), increased by more than 80 per cent. The war in Ukraine is having a range of impacts. The economic and other restrictive measures have cut crude oil flows from the Russian Federation to Europe, to be replaced by oil from the United States and the Middle East. This has reduced the demand for very large crude carriers (VLCCs) but increased the demand for the smaller Aframax and Suezmax tankers. At the same time the Russian Federation has increased crude oil exports from the Black Sea and Baltic Sea ports to Asia, replacing oil from the United States, Latin America, and the Middle East. This too has reduced demand for VLCCs and increased the use of smaller vessels. There were also huge premiums for ship-owners willing to take the risk of transporting Russian oil. Geopolitical tensions that increased imports to Europe from the United States, the Middle East and Asia boosted freight rates for oil product tankers. In the near future, freight rates may continue to increase in the crude oil and product tanker markets. This would partly be due to a recovery in oil demand and the reshuffling of global oil flows in the aftermath of the war in Ukraine, but also to a tightening of supply with slow growth of vessel supply and the removal of old tankers following the entry into force of the IMO's EEXI and CII regulations.

b. Dry cargo trade:





Market changes and congestion push dry bulk freight rates to new levels. Robust demand and limited supply have driven up dry bulk freight rates. Steady economic recovery and fiscal stimuli have boosted industrial activity and increased demand for most dry bulk commodities such as grains, iron ore and coal. But vessel availability has been constrained by COVID-19 restrictions and port congestion. In 2021, the time spent in port increased by 2.3 per cent for dry bulk carriers and 2.1 per cent for dry break-bulk carriers. There was also a 21 per cent decline in the delivery of new vessels. The average cost to ship raw materials such as grains, coal and iron ore is tracked by the Baltic Exchange dry index (BDI) which from October 2019 to October 2021 tripled to a record high of almost 5,000 points .The surge in freight rates in October coincided with the growth in coal demand and prices. Ports also became more congested as a result of quarantine requirements and the ban on the import of Australian coal by the Government of the China which blocked coal-carrying vessels at China's ports for months. In October 2021, the Clarksons dry bulk port congestion index increased to 35 per cent.

Towards the end of 2021 bulker freight rates fell steeply – reflecting seasonal variations, and the economic situation in China as well the spread of COVID-19. From the end of October 2021 to the end of December 2021, the BDI declined by 40 per cent to 2,832 points and in January 2022 fell to 1,760 points, with the downturn continuing through the early months of 2022. Exports of coal from Indonesia when the export ban was lifted and demand from Europe increased. Increased dry bulk freight rates and consumer food prices Grain prices and shipping costs have been on the rise since the onset of the war in Ukraine. Between February and May 2022, the BDI increased by 60 per cent. Since then it has declined but in July 2022 was still 13 per cent higher than in February 2022. According to UNCTAD, the increase in global dry bulk freight rates and grain prices will increase consumer food prices by 1.2 per cent globally.

Looking ahead the dry bulk freight market will continue to be affected by the war in Ukraine and the COVID-19 pandemic, especially in China which accounts for around 35 per cent of global dry bulk cargo demand. Demand will also be affected by a slower global economic recovery, commodity price fluctuations, and limited feet deliveries which for 2022 are estimated at only 3.6 per cent. The war in Ukraine could in addition affect port calls and dry bulk shipping patterns and the use and positioning of vessels. Moreover, sourcing cargos from further afield will increase transport ton-miles, all of which add to freight rates.

Outlook and policy considerations

The COVID-19 pandemic has increased freight rates due to the surge in seaborne trade combined with disruptions at ports, and reduced landside transport, warehouse and storage capacity. This has reduced capacity, tied up ships for longer than usual and increased delays and surcharges. Shippers and governments are concerned about rising costs and the increases in blank sailings, port call cancellations, and rising demurrage and detention charges. They have called for public authorities to monitor and regulate shipping and carrier behavior, to ensure transparency, fairness and competitiveness in maritime transport. But the core problems are inefficiency and disruptions. Longer-term solutions would be to boost port performance and productivity, and improve transport infrastructure, landside transport and connectivity, and storage facilities, while reducing Labour shortages, and making supply chains more robust and resilient.

Policy recommendations

- Supply chains – Developing countries will need support to invest in more robust, resilient and sustainable supply chains. Transport and trade facilitation solutions should accelerate the transition to smart and green trade logistics and enhance transport infrastructure, including port and hinterland, and logistics services.
- Finance – Increased finance and investment and resource mobilization should be based on a long term vision for resilient and sustainable maritime transport supply chains.
- Mitigating impact on vulnerable countries – High shipping costs hit hardest at import-dependent countries. There is a need for a response mechanism to mitigate the impact on the most vulnerable countries, including net food importing countries, SIDS, LLDCs, and LDCs.
- Regional solutions – High transport costs can be addressed by feet and shipping services at the regional and sub-regional levels. This could include regional maritime indices, and regional freight observatories to collect data and monitor key performance indicators.
- Technical assistance – Vulnerable countries will need technical assistance and support to mitigate the impact of rising prices and to develop sustainable and resilient transport systems and value chains.

ESSAR SHIPPING OPERATIONS & BUSINESS DEVELOPMENT

Business Operation:

The company is continuously monitoring the market to enter into purchase of assets and operations thereby. Currently the company owns a Tug that is employed with for a long term charter of at market rates.

The company is looking at various market segments including the LNG segment for possible business opportunities. Currently, the new build asset prices across segments of Bulk Carriers, Tankers, LNG is very high due to increase in steel prices globally, gap between supply and demand of tonnage, and changes in trade routes to longer hauls.

MANAGEMENT DISCUSSION AND ANALYSIS

OILFIELD BUSINESS

A. GLOBAL INDUSTRY OUTLOOK

Considered to be the biggest sector in the world in terms of dollar value, the Oil and Gas industry is a global powerhouse employing hundreds of thousands of workers worldwide as well as generating hundreds of billions of dollars globally each year. In regions which house the National Oil Companies (NOC), these Oil and Gas companies are so vital they often contribute a significant amount towards national GDP.

The Oil and Gas industry can be broken down into three key areas:

- Upstream;
- Midstream; and
- Downstream

The largest volumes of products of the Oil and Gas industry are fuel oil and gasoline (petrol). Petroleum is the primary material for a multitude of chemical products, including pharmaceuticals, fertilizers, solvents and plastics. Petroleum is therefore integral to many industries, and is of critical importance to many nations as the foundation of their industries.

In Oil markets, the depths of the post-2014 downturn seem to be behind us. Oil prices have recovered from the 2016 annual average WTI price low of $40. It breached $50 in 2017 and through September 2018 it averaged just shy of $67. This recovery has been the result of various factors, including sustained success of the production restraint agreement between OPEC and non-OPEC countries in force since the beginning of 2017.

[Source: Westwood Global Energy Group: Global Offshore Drilling Rig Dayrate Forecast 2023-27]

B. RIG MARKET OUTLOOK

- **Rig Market Conditions have continued to improve in 2023:** Day rates have risen further this year, amidst increasingly limited availability, following significant demand-side gains across the last 18 months. Moreover, notable growth in rig deployment is expected moving forward, as units fixed in 2022/early-2023 continue to commence their contracts. Overall, though some concerns remain surrounding the impacts of macroeconomic headwinds on oil demand and pricing, the rig sector outlook is positive.
- **Rig Demand has increased by 6% Y-O-Y**: Jack Ups: +5% & Floaters: +9%, standing at 520 units at start-June (85% utilisation). In 2023 so far, floater demand has grown by 3% with gains concentrated in the 'Golden Triangle', where 66 units are currently active (96% utilisation), up by 5 units (+8%) in the YTD and standing 27% above start-22 levels. Meanwhile, though global jack-up deployment has softened slightly this year (-1% in the YTD), demand in the Middle East reached a new record level at start-June (151 units, 92% utilisation) while activity elsewhere has shown signs of improvement in recent months.
- **Global Rig Deployment is likely to Strengthen Further Moving Forward:** Jack-up demand is

projected to grow by 6% in the rest of 2023, as units in the Middle East continue to commence their contracts. Meanwhile, floater demand is expected to increase by 10% across the rest of the year, underpinned by significant incremental demand growth in the 'Golden Triangle' out to end-2023. In 2024, harsh requirements are likely to increase considerably, supporting overall rig demand, as development drilling work commences at recently sanctioned projects in NW Europe, and also driven by rising harsh Deepwater exploration / appraisal activity in the Orange Basin off West Africa. Overall, global rig demand is projected to grow by 7% this year, reaching 557 units at end-23 (90% utilisation), before growing by a further 7% next year, reaching 595 units at end-2024 (93% utilisation, 3pp below start-14).

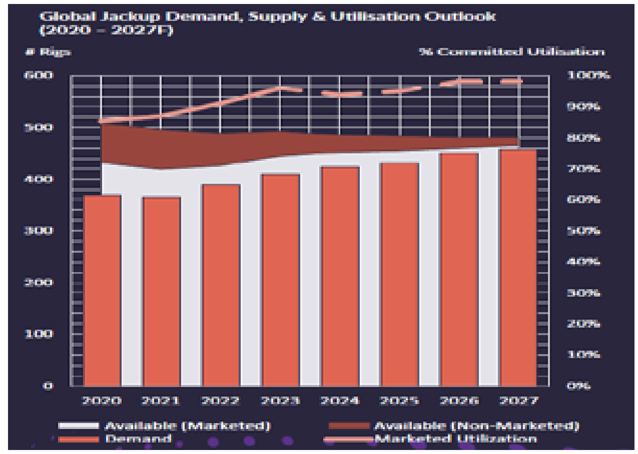
- **Rig Supply-Side limitations are likely to Persist:** Active rig supply stood at 611 units at start-June, up by 5 units (1%) in the ytd, but still 6% below start-20 levels. The pace of supply-side growth has continued to be limited by challenges in resolving 'stranded' assets as well as constraints on reactivation activity, owing to cost inflation and supply chain disruption, with delivery volumes also limited by issues in securing finance and increasing yard quotes. As these factors persist, active rig supply growth is expected to remain moderate; marketable supply is expected to grow by 2% and 3% across 2023 and 2024 respectively, reaching 641 units at end-24 – still 2% below start-20 levels.
- **Rig Dayrates have continued to improve in 2023 so far:** Rig Rate Index stood at 127 points at end-May, up by 5% in the ytd, and standing 26% above the 2012-22 average (though still 25% below start-14). 'Leading edge' high-spec jack-up rates have now risen to $160,000/day, the highest level since early-2015, whilst the average UDW floater dayrate currently stands at $391,000/day, up by 6% in 2023 so far and 66% above start-22.

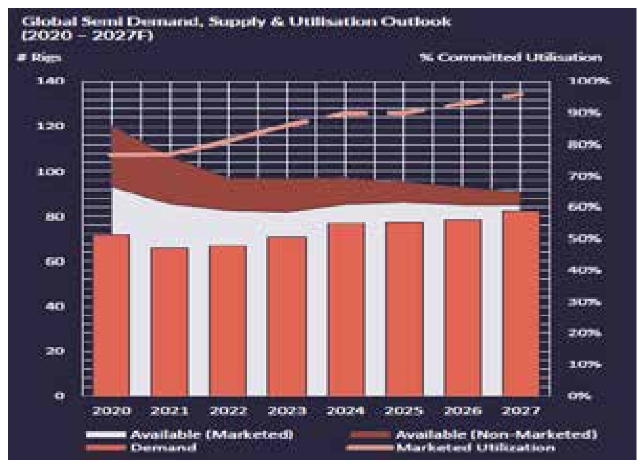
[Source: Clarksons Research]

Key Market Indicators	
Particulars	**Details**
Jack Up Utilisation *(June '23)*	86%
Jack Up Utilisation *(Forecast End 2023)*	90%
High Spec Jack Up Day Rate	US$ 125,000 / day
[Source: Clarksons Research]	
Particulars	**Details**
Floater Utilisation *(June '23)*	83%
Floater Utilisation *(Forecast End 2023)*	90%
UDW Floater Day Rate Brazil	US$ 437,500 / day
[Source: Clarksons Research]	

SUPPLY AND DEMAND UTILISATION

Supply, demand and utilisation have been rising across the three rig segments since 2020/2021, which is expected to continue over the coming years, further driving day rate increases.





[Source: Westwood Global Energy Group: Global Offshore Drilling Rig Dayrate Forecast 2023-27]

D. JACKUP DAYRATES: FORECAST

Demand outlook very bright for Jackup segment as NOCs maintain laser focus on domestic security. As global marketed utilisation continues its upward trajectory, so too will day rates.

- The 350ft> Jackup segment is forecast to see more rises in day rates over the next half decade too, due to continued emphasis on energy security from NOCs in areas such as the Middle East, Mexico, India and China. With marketed utilisation of this segment already at 93.4% more supply will be needed to meet this growing demand. This could lead to some number of new rig orders in the short-term.
- It is expected that there will continue to be more of a divergence in the low and high end of day rates in the <349ft Jackup segment over the next few years but this gap will tighten as this and the 350ft> market sells out,

which should lead to rate increases within this fleet.

[Source: Westwood Global Energy Group: Global Offshore Drilling Rig Dayrate Forecast 2023-27]

E. SEMISUB DAYRATES: FORECAST

Demand increases in Norway, Australia and the Golden Triangle will continue to drive further day rate increases, especially for those top tier units.

- Standard harsh-environment semi day rates are anticipated to increase over the coming years, but at a slower pace than the other segments due to an expected lack of demand from the UK. However, those units traditionally used in the North Sea have potential to be relocated to other regions where demand and day rates are higher. That potential supply reduction could ultimately help sustain or even improve day rates in the UK sector.
- Progress will continue to be seen for day rates in the international benign semi segment, driven mainly by higher demand from the Golden Triangle and Southeast Asia. The quickly tightening drillship market may also result in further operators looking to the top-tier, ultra-Deepwater semi market to meet their supply needs. All of this will result in day rates moving higher over the forecast period.

[Source: Westwood Global Energy Group: Global Offshore Drilling Rig Dayrate Forecast 2023-27]

F. DAYRATE FORECAST FIGURES: 2023-2027

RigLogix forecasts continued day rate increases across the board over the next five years, as market activity carry's on ramping up.

[Source: Westwood Global Energy Group: Global Offshore Drilling Rig Dayrate Forecast 2023-27]

G. ROAD AHEAD

Rapid economic growth is leading to greater outputs, which in turn is increasing the demand of oil for production and transportation. Crude oil consumption is expected to grow at a CAGR of 5.14% to 500 million tonnes by FY40 from 202.7 million tonnes in FY22. In terms of barrels, India's oil consumption is forecast to rise from 4.05 MBPD in FY22 to 7.2 MBPD in 2030 and 9.2 MBPD in 2050. Diesel demand in India is expected to double to 163 MT by 2029-30, with diesel and petrol covering 58% of India's oil demand by 2045. Demand is not likely to simmer down anytime soon, given strong economic growth and rising urbanisation.

Natural Gas consumption is forecast to increase at a CAGR of 12.2% to 550 MCMPD by 2030 from 174 MCMPD in 2021.

India is planning to double its oil refining capacity to 450-500 million tonnes by 2030.

Energy demand of India is anticipated to grow faster than energy demand of all major economies globally on the back of continuous robust economic growth. Moreover, the country's share in global primary energy consumption is projected to increase to two-fold by 2035.

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 subsidiaries 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 https://www.essar.com/wp-content/uploads/2020/06/EssarShip_Material_Subsidiary_Policy.pdf

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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 even undertaken a series of initiatives to enhance emotional and intellectual engagement of employees. Your Company has always aspired to build a culture that demonstrates world-class standards in safety, environment and sustainability. People are Company's most valuable asset and ESL is committed to provide all their employees, a safe and healthy work environment. ESL's culture exemplifies its core values and nurtures innovation, creativity and diversity. ESL ensures alignment of business goals and individual goals to enable their employees to grow on personal as well as professional front.

1. **Times of Essar** : A monthly newsletter that not only gives business and workforce updates but also received contributions from ESL employees, hosts engagement

activities ranging 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.
3. **Manpower Optimization**: As we believe in working in open mind culture, we do take care of employee's wellbeing and skill set. As an integral part of manpower planning, the company effectively places the employees within the other business entity and assigned them roles equivalent to their skill sets, rather than closing their employment/contract.
4. **Beach cleaning drive:** On International Coastal Clean-up Day dated September 17, 2022, employees of Essar shipping volunteered themselves towards mass cleanliness and sanitation drive of 'Swachh Bharat Abhiyan' The aim was to conduct cleanliness drive with special emphasis on Plastic Free Ocean to commemorate 75 years of Independence. It was a drive which got awareness among the employees towards safe & clean beaches

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 year 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.

DIRECTORATE AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company provide entrepreneurial leadership and plays a crucial role in providing strategic supervision, overseeing the management performance, and long-term success of the Company while ensuring sustainable shareholder value. Driven by its guiding principles of Corporate Governance, the Board's actions endeavor to work in the best interest of the Company.

The Directors hold a fiduciary position, exercises independent judgment, and plays a vital role in the oversight of the Company's affairs. Our Board represents a tapestry of complementary skills, attributes, perspectives and includes individuals with financial experience and a diverse background.

DIRECTORS

During the year under review there were following changes in the Board of Directors of the Company:

1. **Mr. Sunil Modak and Ms. Raji Chandrashekar: -**

   During the FY 2022-23, Mr. Sunil Modak and Ms. Raji Chandrashekar were appointed in the Board Meeting held on May 30, 2022. Pursuant to SEBI (LODR) Regulation, 2015 the Company was required to convene a General Meeting within three months from date of Board Meeting for regularization of their appointment. However, due to some unavoidable circumstances the Company was unable to convene its General Meeting within three months from the date of its appointment. Hence, Mr. Sunil Modak and Ms. Raji Chandrashekar ceased to be the Director of the Company w.e.f August 31, 2022.

   Their appointments were proposed directly for the shareholder's approval in the Annual Meeting held on September 08, 2022. Therefore, Mr. Sunil Modak and Ms. Raji Chandrasekhar were appointed as Independent Director on the Board of the Company by the members of the Company in the 12th Annual General Meeting held on September 08, 2022.

2. **Late. Natesan Srinivasan and Capt. Bhupinder singh: -**

   In the 12th Annual General Meeting held on September 08, 2022, Capt. Bhupinder singh and Late. Natesan Srinivasan retired on completion of their tenure from the post of Independent Directors by the members of the Company. The Members of the Company noted and recorded the appreciation for assistance and guidance provided to the company by Late. Natesan Srinivasan and Capt. Bhupinder singh during their tenure.

   Mr. Natesan Srinivasan passed away on December 16, 2022.

3. **Ms. Saraswathy Subramanian and Ms. Raichel Mathew:**

   In the 12th Annual General Meeting held on September 08, 2022, Ms. Saraswathy Subramanian retired by Rotation from the post of Non – Executive Director (Women Director) and in place of her Ms. Raichel Mathew was appointed as a Non – Executive Director (Women Director) by the members of the Company w.e.f September 08, 2022.

   The Members noted and recorded the appreciation for assistance and guidance provided to the company by Ms. Saraswathy Subramanian during her tenure.

   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, 2023, 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 https://www.essar.com/wp-content/uploads/2022/06/EShipL_Policy_Familirisation-Programme.pdf

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 2022-2023. 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 was evaluated by the Board taking input from all the Committee members. NRC reviewed the performance of individual Directors, separate meetings of Independent Directors were 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.

Further the evaluation of the Independent Directors was done by the entire board of directors of the Company. Their evaluation included performance of directors and fulfillment of the Independence criteria as specified in these regulations and their independence from the management.

KEY MANAGERIAL PERSONNEL

In terms of section 203 of the Companies Act, 2013, As on March 31, 2023 the Key Managerial Personnel of the Company are Mr. Rajesh Desai, Executive Director, Mr. Vipin Jain, Chief Financial Officer and Ms. Nisha Barnwal, Company Secretary & Compliance Officer.

During the year under review, Mr. Ranjit Singh President & Chief Executive Officer (CEO) retired from the Board and Mr. Ketan Shah, Chief Financial Officer (CFO) tendered his resignation w.e.f September 30, 2022 due to personal reasons.

Further, in the Board meeting held on September 29, 2022 Mr. Vipin Jain was appointed as a Chief Financial Officer (CFO) of the Company.

BOARD MEETINGS

During the year ended March 31, 2023, eight (8) meetings of the Board were held May 30, 2022, August 10, 2022, September 28, 2022, November 03, 2022, November 12, 2022, December 08, 2022, February 07, 2023, March 30, 2023 .

COMMITTEES OF THE BOARD

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

During the year under review, the Company received the request from M/s. Arcelor Mittal Nippon Steel India Limited and M/s. Imperial Consultants & Securities Limited for Reclassification from Promoters category to Non-Promoters category. Therefore, Company has filed an application with the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") for Reclassification of M/s. Arcelor Mittal Nippon Steel India Limited and M/s. Imperial Consultants & Securities Limited from Promoters category to Non-Promoters category pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received approval for Reclassification of M/s. Arcelor Mittal Nippon Steel India Limited from Promoters category to Non-Promoters category on July 06, 2023 from both the Stock Exchanges.

However, the approval is still awaited from BSE and NSE for Reclassification of M/s. Imperial Consultants & Securities Limited from Promoters category to Public category.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

(a) in the preparation of the annual accounts for the year ended March 31, 2023, 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, 2023 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 step down 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 managed:

(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, the constitution of Risk Management Committee is not required for your company. 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 procedure 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 2022-2023 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 certificates from the Auditors of the Company regarding compliance with the conditions of corporate governance are 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 https://www.essar.com/wp-content/uploads/2018/03/ESL_Whistle_Blower_Policy.pdf

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprises of the following members:

Sr.No	Name of Member	Designation
1.	Mr. Sunil Modak*	Chairman
2.	Mr. Rajesh Desai	Member
3.	Ms. Raichel Mathew*	Member

*Mr. Sunil Modak and Ms. Raichel Mathew were appointed as member of the Committee w.e.f September 24, 2022 owing to retirement of Capt. Bhupinder Singh and Ms. Saraswathy Subramanian.

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, 2023 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 of winding up of the ESOS trust is in process.

AUDITORS

M/s. C N K & Associates LLP, Chartered Accountants – Statutory Auditors (Registration No. 101961 W/W - 100036) were re-appointed at 10th AGM of the Company held on September 30, 2020 to hold the office up to the conclusion of 15th AGM of the Company to be held in the 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. **As on 31st March 2023, the Company has accumulated losses of Rs. 6,821.80 crore as against capital and reserves of Rs. 5,218.33 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 has disposed off most of its assets with a view to pay off its outstanding dues to lenders / vendors. The value of the security offered in connection with various borrowings as at 31st March 2023 is substantially lower than the amounts outstanding to the lenders. The Company's current liabilities exceeds its current assets as on 31 March, 2023**

   The company has monetized its assets in the past and settled most of lenders in the also. The Company is still in process of settling the remaining lenders and management is hopeful of the same. The Company also trying to manage deficit between current assets and liabilities.

2. **The Company has certain significant open legal proceedings including under arbitration for various matters with the Lenders & Customers, continuing from earlier years**

   The company is contesting all the open legal matters. During FY 2023, three number of legal cases were settled / withdrawn.

3. **Note No. 9(A) of the Standalone statements relating to recognition of gain on settlement with one of the banks. Standby Letter of Credit (SBLC) issued by the Company with the said bank for Rs.303.37 crore in earlier years to secure a loan availed by a subsidiary, were invoked in an earlier year. In the preceding year, the Company had settled the loan with the said bank and paid the dues through monetisation of assets. Pending outstanding bank guarantee, 'no due certificate' has not been received from the said bank. The Company does not expect any additional liability to devolve in this regard. During the year, the Company has accounted for the gain of Rs. 340.80 Crore on One Time Settlement and included the same under Exceptional Items**

   The Company had done the payment as per the settlement agreement signed by all the concerned parties and as per the view of the management, only contingent no liability persists.

4. **Note No. 6(C) of the Standalone Financial Statements 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 31st March 2023. The Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1st April 2018 till 31st March 2023**

   The Company is pursuing matter legally in the High Court and we will recognize the balance interest income, if any once the matter gets settled in the court. During FY 2022 , ESL drew Rs 64 cr against the SAIL arbitration award proceeds from the Delhi High Court by submitted a bank guarantee from its lenders.

5. **Note No.6 (B) and 11 of the Standalone Financial Statements, relating to netting off of Rs. 331.26 Crore 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**

   The Company have receivables from the subsidiary company and payable to same subsidiary company, for presentation purpose same has been shown as net-off in financials due to pending approval from regulatory authorities. Once we will get the approval for set-off, net amount will be shown as receivables from the subsidiary company.

6. **In an earlier year, loan of Rs. 25 Crore taken by the Company from an Alternate Investment Fund (AIF) was assigned to Environ Energy Corporation India Private Limited (EECIPL). The NCLT vide its order dated 19th May, 2021 has ordered EECIPL to be liquidated in terms of Section 33(2) of IBC Code, 2016. The Company does not expect any claim from the liquidator and hence, during the year, the Company has written back Rs. 35.41 Crore (Comprising principal of Rs. 25 Crore and interest of Rs. 10.41 crore) and included the same under Exceptional Items**

   In an earlier year, loan of Rs. 25 Crore taken by the Company from an Alternate Investment Fund (AIF) was assigned to another entity. The entity was referred to CIRP vide order dated March 16, 2020 from NCLT, Mumbai. The liquidator appointed pursuant to this order, did not raise any claim or demanded funds from the company The NCLT vide its order dated 19th May, 2021 has ordered the entity to be liquidated in terms of Section 33(2) of IBC Code, 2016. The Company does not expect any claim from the liquidator and hence, during the year, the Company has written back the amount payable to lender along with interest and included the same under Exceptional Items.

7. **Borrowings from various lenders are subject to confirmation/ reconciliation**

   The company's account was categorized as substandard during FY 2019-2020 and pursuant to RBI Master Circular DCBR.BPD. (PCB) MC No.12/09.14.000/2015-16 dated July 1, 2015 and November 01, 2017, the bank does not accrue any interest on such loan it has granted. Accordingly, no lender's confirmation was sought / received.

8. **We draw attention to our observations in paragraph 4 above whereby, in spite of several factors mentioned therein, the results are prepared on "Going Concern" basis; in case of a subsidiary, the respective auditors have pointed out that the concerned financial statements I results have been prepared on going concern basis,**

in view of the representation by the management that the Company has a positive net worth and management has plans to restart the operating activities in the near future.

The company has commenced providing consultancy services to related parties in the offshore drilling sector. It will continue to explore opportunities in the shipping and oilfields sector.

9. **Note No. 9 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 31st March 2023. As informed to us, the Holding Company is confident of full recovery of its claim. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1st April2018 till 31st March 2023.**

   Explained vide note number 4 above

10. **Note No.7 of the Standalone Financial Results relating to recognition of gain on settlement with one of the banks. Standby Letter of Credit (SBLC) issued by the Company with the said bank for Rs.303.37 crore in earlier years to secure a loan availed by a subsidiary, were invoked in an earlier year. In the preceding year, the Company had settled the loan with the said bank and paid the dues through monetisation of assets. Pending outstanding bank guarantee, 'no due certificate' has not been received from the said bank. The Company does not expect any additional liability to devolve in this regard. During the year, the Company has accounted for the gain of Rs. 340.80 Crore on One Time Settlement and included the same under Exceptional Items**

    Explained vide note number 3 above

11. **Attention is drawn to netting off of Rs. 331.26 Crore 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**

    Explained vide note number 5 above

12. **In case of the Holding Company and two subsidiaries, borrowings from various lenders are subject to confirmation / reconciliation**

    In case of the Holding Company and subsidiaries, the account was categorized as substandard during the bank does not accrue any interest on such loan it has granted. Accordingly, no lender's confirmation was sought / received.

13. **The Financial Result of one subsidiary (which has been admitted to NCLT and undergoing CIRP Process) have not been consolidated.**

    During the year, one of Indian sub-subsidiary got admitted to Corporate Insolvency Resolution Process (CIRP) and management of the company took over by Resolution Professional and hence the said subsidiary not considered for consolidation purpose.

INTERNAL AUDITOR AND THEIR REPORT

The Board has appointed M/s. DMKH & Co, Chartered Accountants, as Internal Auditor of the Company to conduct Internal Audit for the financial year 2022-2023. During the year under review M/s. DMKH & Co, Chartered Accountants, Internal Auditor has submitted their Report for the said 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 2022-2023. The Company has received no observations in Secretarial Auditors' Report for FY 2022-2023. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as Annexure - C to this Report.

Further for FY 2023-24, the Board of Directors has appointed M/s. Mayank Arora & Co., Company Secretaries as the Secretarial Auditor of the Company.

SECRETARIAL STANDARDS OF ICSI

The Directors state that proper systems have been devised to ensure compliance with the applicable laws. Pursuant to the provisions of Section 118 of the Act, 2013 during FY 2023, the Company has adhered with the applicable provisions of the Secretarial Standards ("SS-1" and "SS-2") relating to 'Meetings of the Board of Directors' and 'General Meetings' issued by the Institute of Company Secretaries of India ("ICSI") and notified by MCA.

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 https://www.essar.com/wp-content/uploads/2017/10/ESL_Directors_appointment_policy.pdf. 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 https://www.essar.com/wp-content/uploads/2022/06/EShipL_Policy_Related-Party-Transactions.pdf. The information on each of the transactions with the related party as per the Companies Act, 2013 is provided in note 27 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 Annual Return of the Company as on 31st March, 2023 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.essar.com/investors/essar-shipping-limited/annual-return-mgt-7/.

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.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of the Act and IEPF Rules, as amended from time to time, the Company is required to transfer the following to IEPF:

1. Dividend amount that remains unpaid/unclaimed for a period of seven (07) years; and
2. Shares on which the dividend has not been paid/claimed for seven (07) consecutive years or more.

Additionally, pursuant to Rule 3(3) of IEPF Rules, in case of term deposits of companies, due unpaid or unclaimed interest shall be transferred to the Fund along with the transfer of the matured amount of such term deposits.

As on date, there are no unpaid and unclaimed amounts to be transferred to the investor education and protection fund.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Vide order dated 05.07.2023, NCLT ordered dismissing the application filed by IL&FS Financial Services Ltd under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiation of Corporate Insolvency Resolution Process (CIRP) proceedings. The petition has also been withdrawn.

ILFS which had filed a Summary Suit in Bombay High Court in light of the Settlement reached between the parties (i.e. ILFS & ESL) – ILFS advocates appeared and stated that they are withdrawing the Suit. Vide order dated August 10, 2023 Order was passed and the Suit is dismissed as withdrawn.

The Insolvency Petition was filed by Corporate Creditor of OGD Services Limited (OGD), a step down Subsidiary of ESL. The Company (OGD) is admitted under the Corporate Insolvency Resolution Process ("CIRP") by Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench by Order dated February 09, 2023.

The Company has received Notice from Registrar of Companies, Ahmedabad (herein referred as "ROC") dated April 11, 2023 for Adjudication of penalty under Section 454 of Companies Act, 2013 under u/s 297 of the Companies Act, 2013. Further, the Company has paid an amount of Rs. 5,00,000/- to ROC as the penalty was imposed on the Company and Rs. 1,00,000/- each was paid by Mr. Ranjit Singh and Mr. Rahul Bhargav who were Directors of the Company.

L&T had filed a Petition under Section 7 of the IBC against ESL (the Guarantor) arising out of certain financial facilities granted to OGD (the Borrower) Subsequently this debt was assigned to Phoenix ARC who filed a substitution application in these proceedings. The ARC , ESL and OGD came to settle the subject debts. Pursuant to payment of the entire settlement amount the ARC, as L&T's assignee, issued the No Dues Certificate to ESL and withdrew the aforementioned Petition.

The settlement reached between the Parties i.e. Life Insurance Corporation ('LIC') and ESL consent terms were filed in Bombay High Court and the court accepted the consent terms filed by the parties and passed the Order and the Suit was accordingly disposed of.

During the year, the Income Tax Appeallate Tribunal (ITAT) has passed orders in favour of the company for four assessment year.

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.

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. 1.87 cr

Foreign Exchanged Used (including cost of acquisition of ships, loan repayments, interest, operating expenses, etc.): Rs. 1.77 cr

PUBLIC DEPOSITS

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided in the Report on Corporate Governance.

LISTING FEES

The listing fees payable for the financial year 2023-2024 is paid to BSE Limited and National Stock Exchange of India Limited within due date.

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

Rajesh Desai	**Suresh Ramamirtham**
Director	**Chairman**
DIN: 08848625	**DIN: 09299459**
August 08, 2023	
Mumbai	

ANNEXURE – A

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 Mr. Sunil Modak – Chairman; Ms. Raichel Mathew - 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: N.A
   (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.

Sd/-
Rajesh Desai
Director
DIN: 08848625
Mumbai, August, 08, 2023

Sd/-
Suresh Ramamirtham
Chairman
DIN: 09299459

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: (i) Risk-free interest rate (ii) Expected life (iii) Expected volatility (iv) Expected dividends and (v) The price of the underlying share in market at the time of option grant	The same has been appropriately disclosed in note 34 of the financial statement. 8.36 58 44.5% - 58.60% Nil Rs.22.30

Sd/-
Rajesh Desai
Director
DIN: 08848625
Mumbai, August, 08, 2023

Sd/-
Suresh Ramamirtham
Chairman
DIN: 09299459

ANNEXURE C

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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,

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. 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 31stMarch, 2023, 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, 2023 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; **Not applicable.**
- (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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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.

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:

In the Shareholders Meeting held on 08th September, 2022 below item was approved:

i. Appointment of Mr. Sunil Modak (DIN: 09623865) as an Independent Director of the Company.

ii. Appointment of Ms. Raji Chandrasekhar (DIN: 09623673) as an Independent Director of the Company.

iii. Approve the requests received from M/s. Imperial Consultants Limited for re-classification from 'Promoter and Promoter Group' category to 'Public' category.

For **Martinho Ferrao & Associates**
Company Secretaries
Martinho Ferrao
Proprietor
PR: 951/2020
Mem. No. 6221
C. P. No. 5676
UDIN: F006221E000397117

Place: Mumbai
Date: 29th May, 2023

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

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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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
PR: 951/2020
Mem. No. 6221
C. P. No. 5676
UDIN: F006221E000397117

Place: Mumbai
Date: 29th May, 2023

ANNEXURE – D

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF OMPANIES 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 2022-2023 and percentage increase in the remuneration of each Director and Key Managerial Personnel (KMP) during the financial year 2022-2023 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.	Mr. N. Srinivasan*	Independent Director & Chairman	N.A.	N.A.
2.	Capt. B. S. Kumar*	Independent Director	N.A.	N.A.
3.	Mr. Rajesh Desai**	Executive Director	2.62:1	N.A
4.	Mr. Suresh Ramamirtham*	Independent Director	N.A.	N.A.
5.	Mr. Jayakumar*	Independent Director	N.A.	N.A.
6.	Mr. Sunil Modak*	Independent Director	N.A.	N.A.
7.	Ms. Raji Chandrashekar*	Independent Director	N.A.	N.A.
8.	Ms. Raichel Mathew*	Non- Executive Director	N.A.	N.A.
9.	Mr. Ranjit Singh**	Chief Executive Officer	36.63:1	15.72
10.	Mr. Ketan Shah**	Chief Financial Officer	21.82:1	2.78
11.	Mr. Vipin Jain**	Chief Financial Officer	13.96:1	16.52
12.	Ms. Nisha Barnwal**	Company Secretary	1.85:1	51.48

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 **19** employees excluding the offshore employees on the rolls of the company as on March 31, 2023.

*During the year under review Mr. Natesan Srinivasan, Capt. Bhupindersingh Kumar and Ms. Saraswathy Subramanian retired from the Board in the Annual General Meeting held on September 08, 2022. Further, Mr. Sunil Modak, Ms. Raji Chandrashekar and Ms. Raichel Mathew were appointed in the AGM held on September 08, 2022. During the year no remuneration was paid to Mr. N Srinivasan, Capt. B. S. Kumar, Mr. Suresh Ramamirtham, Mr. Jayakumar, Mr. Sunil Modak, Ms. Raji Chandrashekar & Mrs. Raichel Mathew being Independent and 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. Also, Mr. Natesan Srinivasan, Capt. Bhupindersingh Kumar retired from the Board in the AGM held on September 08, 2022.

**During the year Mr. Ranjit Singh, President & Chief Executive Officer (CEO) of the Company and Mr. Ketan Shah, Chief Financial Officer (CFO) tendered their resignations w.e.f September 30, 2022 due to personal reasons. Further, in the Board meeting held on September 29, 2022 Mr. Vipin Jain was appointed as a Chief Financial Officer (CFO) of the Company w.e.f October 01, 2022. Also, Ms. Nisha Barnwal was appointed on September 23, 2021 and Mr. Rajesh Desai's designation was changed from Non-Executive to Executive Director w.e.f. November 11, 2021.

Therefore, the remuneration of the above stated Directors and KMPs is being considered proportionately according to their appointments and resignations.

Sd/-
Rajesh Desai
Director
DIN: 08848625
Mumbai, August, 08, 2023

Sd/-
Suresh Ramamirtham
Chairman
DIN: 09299459

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 and CEO	02-May-08	38	1,33,85,892	Qatar Shipping Co.
Mr. Manoj Kumar	48	M.Sc. Engineering Petroleum)	President- Drilling Division	08-Dec-2021	25	16,72,800	Al Safi National for Oil & Energy Services
Mr. Ketan Shah	51	ICWA	Chief Financial Officer	01-Feb-19	31	79,74,800	Essar Steel Limited
Mr. Vipin Jain	44	Chartered Accountant	Chief Financial Officer	26-Oct-10	14	35,37,576	Abbott India Limited
Mr. Hardik Sheth	36	Chartered Accountant	General Manager	06-Dec-10	12	30,35,731	NA
Mr. Habib Jan	44	Company Secretary	JGM Compliances- Drilling Division	24-Aug-09	16	4,25,000	Daman Hospitality Pvt Limited

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.

Sd/-
Rajesh Desai
Director
DIN: 08848625
Mumbai, August, 08, 2023

Sd/-
Suresh Ramamirtham
Chairman
DIN: 09299459

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 transaction	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.	OGD Services Holdings Limited	Subsidiary Company	Management Services provided	2 Months	1.35	29.03.2023	NIL
2.	Essar Bulk Terminal Limited	Associates	Port Charges paid	1-2 months	0.00	30.05.2022	NIL
3.	Futura Travels Limited	Associates	Ticket charges paid	12 months	0.10	30.05.2022	NIL
4.	Essar Shipping Limited Employee Provident Fund Trust	Trust	Contribution of Employees Provident Fund	12 months	0.25	30.05.2022	NIL
5.	OGD Services Limited	Sub-Subsidiary Company	Provision for Impairment of receivables	12 months	13.19	31.03.2023	NIL
6.	Essar Shipping DMCC	Subsidiary Company	Reversal of Provision of Impairment of receivables	12 months	57.55	31.03.2023	NIL
7.	Arkay Logistics Limited	Associates	Loan & advances given/ repaid	12 months	19.26	12.11.2023	NIL
8.	Edwell Infrastructure Hazira Limited	Associates	Loan & advances given/ repaid	12 months	60.15	12.11.2022	NIL
9.	Essar Steel Metal Trading Limited	Associates	Loan & advances given/ repaid	12 months	15.78	07.02.2023	NIL

10.	Arkay Logistics Limited	Associates	Loan & advances received	12 months	25.26	12.11.2023	NIL
11.	Essar Steel Metal Trading Limited	Associates	Loan & advances received	12 months	41.49	07.02.2023	NIL
12.	Edwell Infrastructure Hazira Limited	Associates	Loan & advances received	12 months	323.72	03.11.2022	NIL
13.	Raichel Mathew	Professional	Professional Fees	12 months	0.08	29.09.2022	NIL

Sd/-
Rajesh Desai
Director
DIN: 08848625
Mumbai, August, 08, 2023

Sd/-
Suresh Ramamirtham
Chairman
DIN: 09299459

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 2023 are as follows:

(Rupees in crores except currency rates)

Particulars	Energy II Limited, Bermuda	Essar Shipping DMCC, Dubai	OGD Services Holdings Limited, Mauritius	Starbit Oilfield Services India Limited, India
Reporting period for the subsidiary	**31 March, 2023**	**31 March, 2023**	**31 March, 2023**	**31 March, 2023**
Reporting currency	USD ($)	USD ($)	USD ($)	INR (Rs.)
Exchange rate as on the last date of the financial period	82.2169	82.2169	82.2169	82.2169
* All figures are in Rs. Crore				
Share capital (including share application money pending allotment)	439.17	307.03	2520.76	0.05
Reserves & surplus	70.23	(720.33)	(3569.09)	(11.38)
Total liabilities	0.07	471.43	1126.19	14.59
Total assets	509.47	66.46	77.86	3.26
Turnover	-	-	58.69	-
Profit / (loss) before taxation	0.88	34.00	(20.94)	1.16
Provision for taxation	-	-	-	-
Profit / (loss) after taxation	0.88	34.00	(20.94)	1.16
% of shareholding	73.08%	100.00%	100.00%	100.00%

Note: OGD Services Limited admitted into Corporate Insolvency Resolution Process (CIRP) vide NCLT, Mumbai order dated February 09, 2023

Sd/-
Rajesh Desai
Director
DIN: 08848625
Mumbai, August, 08, 2023

Sd/-
Suresh Ramamirtham
Chairman
DIN: 09299459

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2022-2023

In accordance with Regulation 34(3),Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereto) ('Listing Regulations'), hereinafter referred to as SEBI Listing Regulations, the Board of Directors of the Company has pleasure in presenting the Company's report containing the details of governance systems and processes for the FY 2022-2023.

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

The Company believes that good Corporate Governance is essential to achieve long-term goals and enhance stakeholder's value. The Philosophy on Corporate Governance is aimed at attainment of highest level of transparency, accountability and compliance with laws in all facets of operations, leading to best standards. The Company ensures compliance with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations')

The Company believes that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards. At Essar, we believe and continuously endeavour to achieve good governance through timely disclosures, transparency, accountability and responsibility in all our dealings with the employees, shareholders, clients and community at large. The Board of Directors represents the interest of the Company's Stakeholders and continuously strives for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance with the Code of Conduct adopted by the Company.

We are in compliance with the Corporate Governance requirements as mandated by the Listing Regulations in letter and in spirit. A Report on compliance with the Code of Corporate Governance as stipulated in the Listing Regulations, for the year ended March 31, 2023 (year under review) and developments up to the date of this report are given below:

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 numbers 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 there were 6 Directors on the Board of the Company in compliance with the Regulation 17 of SEBI (listing Obligations and Disclosure Requirement), 2015.

Attendance at Meetings:

The Board meets at regular intervals to discuss and decide on Company's business policies and strategy apart from other regular business matters. Board Meetings are usually held at the Corporate Office of the Company at Mumbai and through Video Conferencing/Other Audio-Visual Means in the wake of COVID-19 pandemic and due to lockdown restrictions. The meetings and agenda items taken up during the meetings complied with the Companies Act, 2013 and Listing Regulations read with various circulars issued by Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India ("SEBI").

During the financial year ended March 31, 2023 under review, the Board of Directors met 8 times, that is on May 30, 2022, August 10, 2022, August 28, 2022, November 03, 2022, November 11, 2022, February 07, 2023 & March 30, 2023. The gap between two meetings during the year did not exceed one twenty days.

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 08, 2022, 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, 2023	Whether attended AGM held on September 08, 2022	Names of Listed companies where the person is Director and the category of Directorship as on March 31, 2023	No. of Committee positions held in other public Listed companies incorporated in India as on March 31, 2023		No. of Ordinary Shares held as on March 31, 2023
					Chairman	Member	
Mr. Natesan Srinivasan	Independent Non-Executive	2	Yes	Nil	0	0	None
Capt. Bhupinder Singh Kumar	Independent Non-Executive	2	Yes	Nil	0	0	None
Ms. Saraswathy Subramanian	Non–Promoter Non-Executive	2	Yes	Nil	0	0	None
Mr. Rajesh Desai	Non–Promoter Non-Executive	8	Yes	Nil	0	0	None
Mr. Suresh Ramamirtham	Independent Non-Executive	8	Yes	Nil	0	0	None
Mr. Jayakumar	Independent Non-Executive	8	Yes	Nil	0	0	None
Mr. Sunil Modak	Independent Director	6	Not Applicable	Nil	0	0	None
Ms. Raji Chandrashekar	Independent Director	6	Not Applicable	Nil	0	0	None
Ms. Raichel Mathew	Non–Promoter Non-Executive	6	Not Applicable	Nil	0	0	None

Notes:

1. The Committees considered for the purpose of calculation of membership and/or chairmanship as mentioned 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.

1. **Mr. Sunil Modak and Ms. Raji Chandrashekar:**

During the FY 2022-23, Mr. Sunil Modak and Ms. Raji Chandrashekar were appointed in the Board Meeting held on May 30, 2022. Pursuant to SEBI (LODR) Regulation, 2015 the Company was required to convene a General Meeting within three months from date of Board Meeting for regularization of their appointment. However, due to some unavoidable circumstances the Company was unable to convene its General Meeting within three months from the date of its appointment. Hence, Mr. Sunil Modak and Ms. Raji Chandrashekar ceased to be the Director of the Company w.e.f August 31, 2022.

Their appointments were proposed directly for the shareholder's approval in the Annual Meeting held on September 08, 2022. Therefore, Mr. Sunil Modak and Ms. Raji Chandrasekhar were appointed as Independent Director on the Board of the Company by the members of the Company in the 12th Annual General Meeting held on September 08, 2022.

2. **Mr. Natesan Srinivasan and Capt. Bhupinder singh:**

In the 12th Annual General Meeting held on September 08, 2022, Capt. Bhupinder singh and Mr. Natesan Srinivasan retired on completion of their tenure from the post of Independent Directors by the members of the Company. The Members noted and recorded the appreciation for assistance and guidance provided by Mr. Natesan Srinivasan and Capt. Bhupinder singh during their tenure.

Mr. Natesan Srinivasan passed away on December 16, 2022.

3. **Ms. Saraswathy Subramanian and Ms. Raichel Mathew:**

In the 12th Annual General Meeting held on September 08, 2022, Ms. Saraswathy Subramanian retired by Rotation from the post of Non – Executive Director (Women Director) and in place of her, Ms. Raichel Mathew was appointed as a Non – Executive Director (Women Director) by the members of the Company w.e.f September 08, 2022.

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, 2023, 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 at https://www.essar.com/wp-content/uploads/2020/06/EssarShip_Code_of_Conduct.pdf

Further, all the Board Members and Senior Management personnel have affirmed compliance with the said code of conduct for the year ended March 31, 2023. Necessary declaration to this effect signed by the Mr. Rajesh Desai, Director, forms a part of the Annual Report of the Company for the year ended March 31, 2023.

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.

The detail of such familiarization Programme conducted during the financial year 2022-23 can be accessed on the Company's website at https://www.essar.com/wp-content/uploads/2022/06/EShipL_Policy_Familirisation-Programme.pdf

Maximum tenure of Independent Directors

In terms of the Act, Independent Directors shall hold office for a term of up to five consecutive years on the board of a company but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's Report. The tenure of the Independent Directors is in accordance with the provisions of the Act.

3. **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 victimization 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 behavior may be reported to the CFO 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. Suresh Ramamirtham, 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 has 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 its website remains unaltered. The hotline contact details have been suitable hosted on the Company website.

Details of the above mechanism are posted on Company's website https://www.essar.com/wp-content/uploads/2018/03/ESL_Whistle_Blower_Policy.pdf

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. Sunil Modak	Expertise in shipping administration and floating staff movement
2.	Ms. Raji Chandrashekar	Expertise in Marketing & HR
3.	Mr. Rajesh Desai	Finance & Accounts
4..	Mr. Jayakumar	Projects, Insurance & Procurement
5..	Mr. Suresh Ramamirtham	Expertise in Marketing, Operations, HR, and Finance
6..	Ms. Raichel Mathew	Finance & Accounts

4. COMMITTEES OF THE BOARD:

The Board Committees play a vital role in strengthening the Corporate Governance practices,focus effectively on the issues, and ensure expedient resolution of diverse matters. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Board of Directors from time to time has constituted the following Committees, namely:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Stakeholder's Relationship Committee

D. Corporate Social Responsibility Committee

A. AUDIT COMMITTEE

The composition of the Audit Committee as on March 31, 2023 is as follows:

S. No.	Particular	Designation
1.	Mr. Suresh Ramamirtham*	Chairman
2.	Mr. Sunil Modak*	Member
3.	Mr. Rajesh Desai	Member

*Mr. Suresh Ramamirtham and Mr. Sunil Modak were appointed as members of the Committee w.e.f September 24, 2022, owing to retirement of Capt. Bhupinder Singh and Mr. Natesan Srinivasan.

Statutory auditors, internal auditors and Chief Financial Officer 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 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 6 times on May 30, 2022, August 10, 2022, September 28, 2022, November 12, 2022 & February 07, 2023 & March 28, 2023 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 were adhered to during the Audit Committee meeting. The details of the meetings attended by the Directors are given below:

Composition	Meeting Dates and Attendance					
	May 30, 2023	August 10, 2022	September 28, 2022	November 12, 2022	February 07, 2023	March 30, 2023
Mr. Natesan Srinivasan – Chairman	Yes	Yes	NA	NA	NA	NA
Captain Bhupinder Singh Kumar – Member	Yes	Yes	NA	NA	NA	NA
Mr. Suresh Ramamirtham – Member*	NA	NA	Yes	Yes	Yes	Yes
Mr. Sunil Modak-Member*	NA	NA	Yes	Yes	Yes	Yes
Mr. Rajesh Desai-Member	Yes	Yes	Yes	Yes	Yes	Yes

Note:

*Mr. Suresh Ramamirtham and Mr. Sunil Modak were appointed as member of the Committee w.e.f September 24, 2022 owing to retirement of Capt. Bhupinder Singh and Mr. Natesan Srinivasan.

B. 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, 2023 are as follow:

Composition	Meeting Dates and Attendance		
	May 30, 2022	August 10, 2022	September 28, 2022
Captain Bhupinder Singh Kumar – Chairman*	Yes	Yes	NA
Mr. Natesan Srinivasan – Member*	Yes	Yes	NA
Ms. Saraswathy Subramanian-Member*	Yes	Yes	NA
Mr. Sunil Modak- Chairman**	NA	NA	Yes
Mr. Suresh Ramamirtham-Member**	NA	NA	Yes
Ms. Raichel Mathew**	NA	NA	Yes

Note:

* Owing to the retirement of Capt. Bhupinder Singh, Mr. Natesan Srinivasan and Ms. Saraswathy Subramanian in the AGM held on September 08, 2022 the entire committee was reconstituted on September 24, 2022.

** Mr. Suresh Ramamirtham, Mr. Sunil Modak and Ms. Raichel Mathew were appointed as member of the Committee w.e.f September 24, 2022 owing to retirement of Capt. Bhupinder Singh and Mr. Natesan Srinivasan.

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 2022-2023.

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.

As per the requirement of Regulation 17(10) of Listing Regulations, the Board evaluated the Independent Directors of the Company. Their evaluation was based on their performance and their fulfillment of the independence criteria as specified in these regulations and their independence from the management.

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. Natesan Srinivasan	-	-	-	4,30,000	**4,30,000**
Captain Bhupinder Singh Kumar	-	-	-	4,30,000	**4,30,000**
Mr. Rajesh Desai	9,60,000	-	-	-	**9,60,000**
Mr. Jayakumar	-	-	-	3,30,000	**3,30,000**
Mr. Suresh Ramamirtham	-	-	-	3,40,000	**3,40,000**
Ms. Saraswathy Subramanian	-	-	-	2,80,000	**2,80,000**
Mr. Sunil Modak	-	-	-	2,20,000	**2,20,000**
Ms. Raji Chandrashekar	-	-	-	1,50,000	**1,50,000**

Name of Director	Basic Salary	Provident Fund	Allowances and other benefits	Sitting Fees	Total
Ms. Raichel Mathew	-	-	-	1,60,000	**1,60,000**

Notes:

1. Ms. Saraswathy Subramanian retired by rotation as Non- Executive Director in the 12th Annual General Meeting held on September 08, 2022 and Ms. Raichel Mathew was appointed in her place in the 12th Annual General Meeting. The remuneration is on proportionate basis.
2. Capt. Bhupinder Singh and Mr. Natesan Srinivasan retired from the Board in the 12th Annual General Meeting held on September 08, 2022 on completion of their tenure.
3. Mr. Sunil Modak, Ms. Raji Chandrashekar appointed as Independent Director in the 12th Annual General Meeting held on September 08, 2022, owing to the retirement of Capt. Bhupinder Singh and Mr. Natesan Srinivasan.

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 a policy on making payment of remuneration which includes criteria of making payments to non-executive Directors. The said policy is available on website of the Company and the same can be accessed through: https://www.essar.com/wp-content/uploads/2017/10/ESL_Directors_appointment_policy.pdf

C. 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 07, 2023

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 March 31, 2023
Captain Bhupinder Singh Kumar – Chairman*	Independent	1
Mr. Rajesh Desai- Member	Non-Executive	1
Ms. Saraswathy Subramanian- Member*	Non- Executive	1
Mr. Sunil Modak- Chairman*	Independent	1
Ms. Raichel Mathew*	Non- Executive	1

Note:

*Mr. Sunil Modak and Ms. Raichel Mathew were appointed as member of the Committee w.e.f September 24, 2022 owing to retirement of Capt. Bhupinder Singh and Ms. Saraswathy Subramanian.

Name and Designation of Compliance Officer: Ms. Nisha Barnwal, Company Secretary and Compliance Officer.

Status of Complaints received during the year ended March 31, 2023:

Nature of Complaints	Received	Resolved	Pending
Relating to Transfer, Transmission etc. and other/Miscellaneous	137	137	Nil
TOTAL	**137**	**137**	**Nil**

Pending Transfers:

There were no pending transfers as on March 31, 2023.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 07, 2023, 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 perform its duties.

The following Independent Directors were present at the Meeting:

- Mr. Jayakumar
- Mr. Suresh Ramamirtham
- Mr. Sunil Modak
- Ms. Raji Chandrashekar

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/Retirement of an Independent Director:

No Independent Director has resigned from the position of Independent Director before the expiry of the tenure during the Financial Year 2022-2023. In the Annual General Meeting held on September 08, 2023 Mr. Natesan Srinivasan and Capt Bhupinder Singh Kumar retired from the Board of the Company on completion of their tenure.

D. 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 March 31, 2023 is as follows:

- Captain Bhupinder Singh Kumar*
- Ms. Saraswathy Subramanian*
- Mr. Rajesh Desai
- Mr. Sunil Modak*
- Ms. Raichel Mathew*

*Mr. Sunil Modak and Ms. Raichel Mathew were appointed as member of the Committee w.e.f September 24, 2022 owing to retirement of Capt. Bhupinder Singh and Ms. Saraswathy Subramanian.

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.

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: https://www.essar.com/wp-content/uploads/2018/03/ESL_Whistle_Blower_Policy.pdf

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/wp-content/uploads/2020/06/EssarShip_Materiality_of_Events_Information.pdf

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/wp-content/uploads/2022/06/EShipL_Policy_Related-Party-Transactions.pdf

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/wp-content/uploads/2017/10/EssarShipping_Code_Insider-Trading-Regulation.pdf

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, 2023.

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. Suresh Ramamirtham, 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 Key Managerial Personnel of the Company:

a) *Mr. Ranjit Singh, President and CEO

b) *Mr. Ketan Shah, Chief Financial Officer

c) *Mr. Vipin Jain, Chief Financial Officer

d) Ms. Nisha Barnwal, Company Secretary

*During the year under review, Mr. Ranjit Singh President & Chief Executive Officer (CEO) of the Company retired from the Board and Mr. Ketan Shah, Chief Financial Officer (CFO) tendered his resignation w.e.f September 30, 2022 due to personal occupancy.

Further, in the Board meeting held on September 29, 2022 Mr. Vipin Jain was appointed as a Chief Financial Officer (CFO) of the Company.

CEO and CFO Certification:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajesh Desai, Director, Mr Ranjit Singh, President & CEO and Mr. Vipin Jain, 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, 2023.

Certificate from Company Secretary in Practice:

Mr. Martinho Ferrao of M/s. 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 as Annexure A**

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 2022-2023 (INR in Crores)
Audit fees	0.24
For other services (Certifications, etc.)	0.03
Reimbursement of Expenses	0.01
Total	**0.28**

GENERAL BODY MEETING

Details of the last three Annual General Meetings held from the year 2019-2020 to 2021-2022 are given below, in the ascending order:

Year	Date, Day &Time	Venue	Details of the Special Resolutions passed in the AGM
2019-20	September 30, 2020 at 3:00 P.M	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	(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 Crores only, over and above the aggregate of the paid up share capital of the Company and its free reserves

2020-21	September 29, 2021 at 3:00 P.M	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	(i) Appointment of Mr. Jayakumar Rajaram (DIN: 09300654) as an Independent Director of the Company (ii) Appointment of Mr. Suresh Ramamirtham (DIN: 09299459) as an Independent Director of the Company: (iii) Approval for Related Party Transactions of the Company
2021-22	September 08, 2022 at 2:00 P.M	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	(i) Appointment of Mr. Sunil Modak (DIN: 09623865) as an Independent Director of the Company (ii) Appointment of Ms. Raji Chandrasekhar (DIN: 09623673) as an Independent Director of the Company (iii) To consider and approve the requests received from M/s. Imperial Consultants Limited for re-classification from 'Promoter and Promoter Group' category to 'Public' category (iv) Approval for Related Party Transactions of the Company

Extraordinary General Meeting (EGM):

There were no Extraordinary General Meetings (EGMs) of the Company during the Financial Year 2022-23

Details of special resolution passed last year through postal ballot:

A. Special Resolution passed through Postal Ballot in the Financial Year 2022-2023: 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: https://www.essar.com/investors/essar-shipping-limited/ 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

Annual General Meeting for the Financial Year 2022 -23	Friday, September 29, 2023
Venue	Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) as approved by the Statutory Authorities. Venue recorded at 5th floor, Essar House, 11 K.K. Marg, Mahalaxmi, Mumbai – 400034
Time	3.00 PM
Book Closure Dates	September 22, 2023 to September 29, 2023 (Both days inclusive)
Financial year:	1st April 2022 to 31st March 2023
Annual Listing fees	The Company hereby confirms that Annual Listing Fees for financial year 2022-23 is paid to BSE and NSE.
Stock Code	BSE: 533704 NSE: ESSARSHPNG ISIN for NSDL/CDSL: INE122M01019

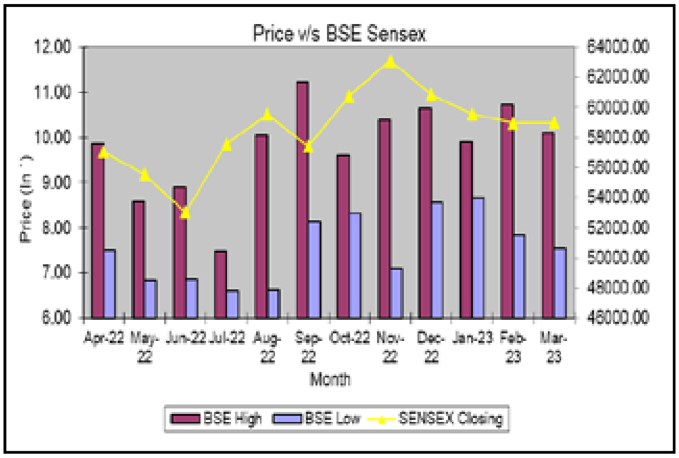
Listing on Stock Exchanges: The Ordinary Shares of the Company are listed and available for Trading on BSE Limited and the National Stock Exchange of India Limited.

The Secured Non-Convertible Debentures (NCDs) of the Company were listed on wholesale Debt Segment of the National Stock Exchange of India Limited (NSE) (INE282A07039 and INE282A07047). During the year Company has made the redemption of NCDs. The said ISINs has been matured on NSE on December 26, 2022.

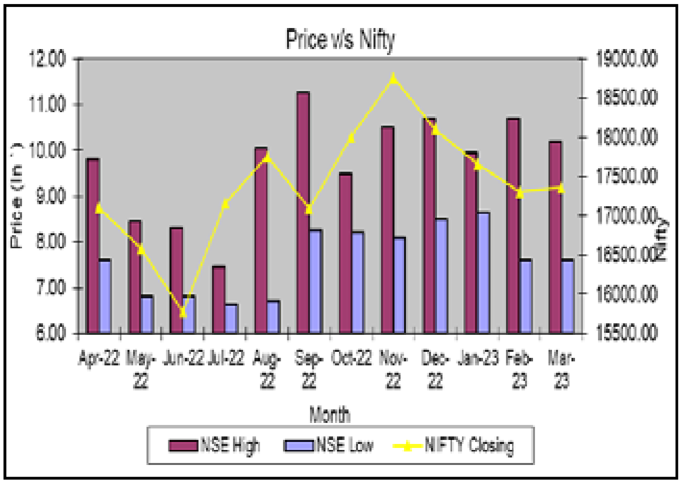
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001

Performance of share price in comparison to BSE Sensex



Performance of share price in comparison to Nifty



Market price data (High/Low) during each month in the Year 2022-2023

BSE Limited		
Month	**Highest**	**Lowest**
April 2022	9.87	7.50
May 2022	8.58	6.84
June 2022	8.89	6.85
July 2022	7.48	6.62
August 2022	10.05	6.63
September 2022	11.22	8.14
October 2022	9.60	8.31
November 2022	10.38	7.10
December 2022	10.65	8.55
January 2023	9.90	8.66
February 2023	10.72	7.83
March 2023	10.10	7.53
Scrip Code: 533704		

National Stock Exchange of India Limited		
Month	**Highest**	**Lowest**
April 2022	9.80	7.60
May 2022	8.45	6.80
June 2022	8.30	6.80
July 2022	7.45	6.65
August 2022	10.05	6.70
September 2022	11.25	8.25
October 2022	9.50	8.20
November 2022	10.50	8.10
December 2022	10.70	8.50
January 2023	9.95	8.65
February 2023	10.70	7.60
March 2023	10.20	7.60
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

In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, securities can be transferred only in dematerialized form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories. Shareholders should communicate with M/s. Data Software Research Company Private Limited., the Company's Registrars and Transfer Agents (RTA) quoting their Folio No. or Depository Participant ID and Client ID No. for any queries to their securities. Requests for Dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in 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, 2023

No. of Equity Shareholders	No of Shareholders	% of Shareholders	Total No of Shares	% of Holding
Upto 5000	104279	98.97	19779267	9.56
5001 to 10000	577	0.55	4523654	2.19
10001 to 20000	262	0.25	3818370	1.84
20001 to 30000	87	0.08	2169256	1.05
30001 to 40000	40	0.04	1417101	0.68
40001 to 50000	35	0.03	1677611	0.81
50001 TO 100000	55	0.05	3903959	1.89
100001 AND ABOVE	33	0.03	169686854	81.98
TOTAL	105368	100.00	206976072	100.00

Dematerialisation of Shares as on March 31, 2023

Mode	No. of Shares	No. of Folio	%
Physical	44997	2157443	1.04
Demat	60371	204818629	98.96
TOTAL	**105368**	**206976072**	**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 2022-2023:

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

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

As on March 31, 2023, 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 August 24, 2015 were extended to a term of 2 years ending on August 24, 2017 and a further term of 2 years ending on August 24, 2019 and Series B FCCBs with original maturity on August 24, 2017 and extension sought till August 24, 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 August 24, 2019 to August 24, 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 June 22, 2021 for extending the term of maturity by further two years i.e. from August 2021 to August 2023. Company has received email from RBI dated June 28, 2023 for a 'No objection' for extension of the maturity of FCCB till August 24, 2023. The Bond holder and Essar Shipping Limited ("ESL") had agreed to freeze the liability at INR Rs. 1537.62 crore vide letter dated August 31, 2017 in case the bonds get redeem. Accordingly, ESL will redeem the FCCBs at Rs. 1537.62 crores.

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.

The below table provides details of complaints received/ disposed during the financial year 2022-2023:

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 2022-2023. The Secretarial Audit Report is annexed with the Directors' Report.

Compliance Officer:

Ms. Nisha Barnwal, Company Secretary

Designated Email ID for Investors/Members:

esl.secretarial@essarshipping.co.in

Registered Office:

EBTSL Premises, ER-2 Building (Admn. Bldg.), 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

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

Email: esl.secretarial@essarshipping.co.in

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, 2023.

For Essar Shipping Limited
Sd/-
Rajesh Desai
Director
DIN: 08848625

Mumbai, August 08, 2023

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, 2023 pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We, Mr. Rajesh Desai, Director and Mr. Vipin Jain, Chief Financial Officer, have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2023 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 Essar Shipping Limited

Sd/-	**Sd/-**
Rajesh Desai	**Vipin Jain**
Director	**Chief Financial Officer**
DIN: 08848625	

Mumbai, August 08, 2023

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, Khambhalia, Devbhumi, Dwarka,
Khambhalia, Jamnagar 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, Khambhalia, Devbhumi, Dwarka, Khambhalia, Jamnagar 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.

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, 2023 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	DIN	Date of appointment in Company
1.	Rajesh Dhirubhai Desai	08848625	30/09/2020
2.	Suresh Ramamirtham	09299459	31/08/2021
3.	Jayakumar	09300654	31/08/2021
4.	Raji Chandrashekar	09623673	08/09/2022
5.	Sunil Bhargav Modak	09623865	08/09/2022
6.	Raichel Mathew	09625593	08/09/2022

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: F006221E000853628

Place: Mumbai
Date: 24th August, 2023

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 24th May 2022.
2. This report contains details of compliance of conditions of Corporate Governance by Essar Shipping Limited ("the Company"), for the year ended 31st March 2023, 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 31st March, 2023.
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 31st March 2023.
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. 040740
UDIN: 23040740BGSEWW4361

Certificate No.: REF/CERT/C/167/23-24
Place: Mumbai
Date: 31st August, 2023

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 31st March 2023, the statement of profit and loss (including Other Comprehensive Income), statement of cash flows and the 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 31st March 2023, the profit (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 31st March 2023 the Company has accumulated losses of Rs. 6,821.80 crore as against capital and reserves of Rs.5,218.33 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 / Debt Recovery Tribunals for recovery of overdue amounts and / or enforcement of guarantees. The Company has disposed off most of its assets with a view to pay off its outstanding dues to lenders / vendors.. . The Company's current liabilities substantially exceed its current assets as on 31st March 2023. 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, the management is exploring business opportunity for a future business build up. Further, the company has bought one tug during the year and given to a customer on Bareboat charter hire.

Our opinion on the Standalone Financial Statements is not modified for the above matter.

Emphasis of Matter

a. We draw attention to Note No.9(A) of the Standalone Financial Statements relating to recognition of gain on settlement with one of the banks. Standby Letter of Credit (SBLC) issued by the Company with the said bank for Rs.303.37 crore in earlier years to secure a loan availed by a subsidiary, were invoked in an earlier year. In the preceding year, the Company had settled the loan with the said bank and paid the dues through monetisation of assets. Pending outstanding bank guarantee, 'no due certificate' has not been received from the said bank. The Company does not expect any additional liability to devolve in this regard. During the year, the Company has accounted for the gain of Rs. 340.80 Crore on One Time Settlement and included the same under Exceptional Items.

b. We draw attention to Note No. 6(C) of the Standalone Financial Statements 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 31st March 2023. The Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1st April 2018 till 31st March 2023;

c. We draw attention to Note No.6(B) and 11 of the Standalone Financial Statements, relating to netting off of Rs. 331.26 Crore 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.

d. In an earlier year, loan of Rs. 25 Crore taken by the Company from an Alternate Investment Fund (AIF) was assigned to Environ Energy Corporation India Private Limited (EECIPL). The NCLT vide its order dated 19th May, 2021 has ordered EECIPL to be liquidated in terms of Section 33(2) of IBC Code, 2016. The Company does not expect any claim from the liquidator and hence, during the year, the Company has written back Rs. 35.41 Crore (Comprising principal of Rs. 25 Crore and interest of Rs. 10.41 crore) and included the same under Exceptional Items.

e. Borrowings from various lenders are subject to confirmation/ reconciliation

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

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 31st March 2023, the Company has accumulated losses of Rs. 6,821.80 crore as against capital and reserves of Rs. 5,218.33 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 has disposed off most of its assets with a view to pay off its outstanding dues to lenders / vendors. The value of the security offered in connection with various borrowings as at 31st March 2023 is substantially lower than the amounts outstanding to the lenders. The Company's current liabilities exceeds its current assets as on 31 March, 2023 (Refer Note No. 28 of Standalone Financial Statements). All these factors indicate 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 external confirmation of balances from each of these lenders to confirm the balance outstanding as on 31 March, 2023; 2. Assessing management's steps being 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 steps taken for the same; 4. Obtaining and evaluating various communications with the lenders for the one- time settlement proposed by the Company. 5. Evaluating legal and other developments related to the Company and / or its subsidiaries based on 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 the Standalone Financial Statements to be appropriate.
Evaluation of Litigation matters The Company has certain significant open legal proceedings including under arbitration for various matters with the Lenders & Customers, continuing from earlier years (Refer Note No. 22 of Standalone Financial Statements)	Our audit included but was not limited to the following activities: Assessing management's position through discussions with the management including review of 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; Discussion with the management on the development in these litigations during the year ended 31st March 2023; Review of the disclosures made by the Company in the Standalone Financial Statements in this regard; 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 its 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 after the 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 the 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, 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 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 event or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial 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 to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 account 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 Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;

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 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 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, 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 31st March 2023;

d) i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts (refer Note no.31), 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, other than as disclosed in the notes to the accounts (refer Note No.32), 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.

e) The Company has not declared or paid any dividend during the year.

f) As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1,2023, reporting under this clause is not applicable for the year under audit.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961 W/W - 100036
Diwakar Sapre
Partner
Membership No. 040740
UDIN: 23040740BGSEUH3060

Place: Mumbai
Date: 29th May, 2023

Annexure – A to the Independent Auditor's Report

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2023.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company does not have any intangible assets;

(b) Property, plant and equipment have been physically verified by the management at reasonable intervals in accordance with a regular program of verification. The discrepancies noticed on such verification, which in our opinion are not material, have been appropriately dealt with in the books of account;

(c) Based on our examination of the registered sale deeds provided to us, we report that the title deeds of all the immovable properties, comprising of freehold land, are held in the name of the Company as at the balance sheet date;

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets or both during the year;

(e) The Company does not have any proceedings initiated or pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder;

(ii) The company does not hold any inventory throughout the year and therefore clause 3 (ii) of the Order is not applicable to the Company for the year under Audit;

(iii) During the year, the Company has granted loan to a wholly owned step down Company, details of which are as under:

(Rs. In crore)

Particulars	Loan amount granted during the year	Closing balance as at 31st March, 2023
Loan to wholly owned step down subsidiary	13.19	25.43 (Fully impaired)

As the said wholly owned step down subsidiary is undergoing CIRP, the said loan has been fully impaired.

Other than the above, the Company has not given any loan, made investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. There are no loans that have fallen due during the year which have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment.

(iv) 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) The Company has not accepted any deposits or amounts deemed to be 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, clause 3(v) of the Order is not applicable to the Company for the year under audit.

(vi) The Company is not required to maintain 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. Accordingly, clause 3(vi) of the Order are not applicable to the Company for the year under audit.

(a) Except for delays ranging from 1 to 6 days in payment of Tax Deducted at Source and Goods and Service Tax, the Company has been generally 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. There are no undisputed statutory dues outstanding as at 31st March 2023, for a period of more than six months from the date they became payable;

(b) The particulars of dues of Income Tax, Goods and Service tax, Duty of Customs and Duty of Excise or cess as at 31st March 2023 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	₹ 39.09	A.Y. 2013-14	The High Court of Bombay

(vii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, (43 of 1961);

a) The Company has defaulted in repayment of loans and borrowings to Financial Institution, banks, government or dues to Debenture holders, the delay of such defaults continuing at the balance sheet date as under:

(Amount in Rs. Cr)

Lender Name	Amount of default of principal as atthe balance sheet date	Amount of default of interest as at the balance sheet date	Period of Default
Debenture Holders			
Rajasthan Rajya Vidyut Prasaran Nigam Limited	Nil	1.68	758 days
Financial Institutions			
IL & FS	0.07	1.32	1481 days
Total	**0.07**	**3.00**	

b) As informed to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender;

c) On an examination of records of the Company, we report that the term loans were applied for the purpose for which the loans were obtained;

d) On an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company;

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

g) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, clause 3(x)(a) of the Order is not applicable to the Company for the year under audit;

h) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year under review. Therefore, clause 3(x) of the Order is not applicable to the Company for the year under audit;

i) There are no instances of fraud by the Company or on the Company noticed or reported during the year;

j) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

k) As represented to us by the management, there are no whistle blower complaints received by the Company during the year;

(viii) The Company is not a Nidhi company and therefore clause 3 (xii) of the Order is not applicable to the Company for the year under Audit;

(ix) The Company is in compliance with sections 177 and 188 of Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards;

a) In our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business.

b) Based on the Internal Audit Reports made available to us, we have considered the observations of the internal auditors of the Company, in determining the nature, timing and extent of our audit procedures, for the year under audit;

(x) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company for the year under audit;

a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and therefore, clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company;

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable to the Company;

(xi) The Company has not incurred cash losses during the financial year after considering exceptional items. The Company has incurred cash losses of Rs. 204.49 Crore during immediately preceding financial year.

(xii) There has been no resignation of the Statutory Auditors of the Company during the year and accordingly the reporting under clause 3(xviii) is not applicable for the year under audit.

(xiii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

(xiv) Considering that the Company does not have profits, provisions relating to Corporate Social Responsibility are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable to the Company for the year under audit.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961 W/W - 100036
Diwakar Sapre
Partner
Membership No. 040740
UDIN: 23040740BGSEUH3060

Place: Mumbai
Date: 29th May, 2023

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, 2023 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, 2023, 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 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 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 of compliance with the policies or procedures may deteriorate.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961 W/W - 100036
Diwakar Sapre
Partner
Membership No. 040740
UDIN: 23040740BGSEUH3060

Place: Mumbai
Date: 29th May, 2023

Balance Sheet as at 31 March, 2023

(₹ in crore)

	Particulars	Note no.	As at 31 March, 2023	As at 31 March, 2022
	ASSETS			
1	**Non-current assets**			
	(a) Property, plant and equipment	2	3.69	0.14
	(b) Investments	3	35.77	35.77
	(c) Financial assets			
	- Other financial assets	4 (A)	4.16	4.00
	(d) Other non-current assets	4(B)	1.04	1.84
	Total non-current assets		**44.66**	**41.75**
2	**Current assets**			
	(a) Financial assets			
	i. Investments in Mutual Funds	5 (A)	1.71	1.61
	ii. Trade and other receivables	5 (B)	1.37	5.50
	iii. Cash and bank balances	6 (A)	19.77	14.93
	iv. Loans	6 (B)	0.00	0.00
	v. Other financial assets	6 (C)	310.60	310.57
	(b) Other current assets	7	3.42	26.93
	Total current assets		**336.87**	**359.54**
	TOTAL ASSETS		**381.53**	**401.29**
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity share capital	8 (A)	206.98	206.98
	Other Equity			
	Reserves and surplus	8 (B)	(1,810.45)	(3,503.32)
	Total equity		**(1,603.47)**	**(3,296.34)**
	Liabilities			
2	**Non-current liabilities**			
	(a) **Financial liabilities**			
	i. Borrowings	9 (A)	398.19	1,664.99
	Total non-current liabilities		**398.19**	**1,664.99**
3	**Current liabilities**			
	(a) **Financial liabilities**			
	i. Short Term Borrowings	9 (A)	1,537.69	846.55
	ii. Trade payables			
	- Total outstanding dues to creditors other than micro and small enterprises	9 (B)	32.94	32.57
	iii.Other financial liabilities	9 (C)	13.17	1,150.51
	(b) Employee benefit obligations	10	2.65	2.83
	(c) Other current liabilities	11	0.37	0.19
	Total current liabilities		**1,586.82**	**2,032.65**
	Total liabilities		**1,985.00**	**3,697.63**
	TOTAL EQUITY AND LIABILITIES		**381.53**	**401.29**

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

Diwakar Sapre
Partner
Membership No. 040740
Mumbai
29 May 2023

For and on behalf of the Board

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Vipin Jain
Chief Financial Officer

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Mumbai
29 May 2023

Standalone Statement of Profit and Loss for the year ended 31 March, 2023

(₹ in crore)

Particulars	Note no.	As at 31 March, 2023	As at 31 March, 2022
Income:			
Revenue from operations	12	3.33	140.03
Other income	13	35.53	162.06
Total Income		**38.86**	**302.09**
Expenses:			
Operating expenses	14	0.51	61.22
Employee benefits expense	15	3.65	33.39
Finance costs	16	94.65	180.22
Depreciation	2	0.22	45.26
Other expenses	17	12.36	6.56
Total expenses		**111.39**	**326.66**
Loss before exceptional items and tax		**(72.53)**	**(24.57)**
Exceptional items	18		
Income		1,751.97	570.56
Expenses		(13.19)	(795.71)
Loss after exceptional items and before tax		**1,666.25**	**(249.71)**
Current tax	19	26.46	(0.26)
Profit /(loss) for the year after exceptional items		**1,692.71**	**(249.97)**
Items that will not be reclassified subsequently to profit and loss account			
Actuarial gain / (loss) on remeasurement of the Defined Benefit Plans		0.17	0.23
Total other comprehensive gain / (loss) for the year		**0.17**	**0.23**
Total comprehensive profit / (loss) for the year		**1,692.88**	**(249.75)**
Earnings per share before exceptional items (EPS)			
(a) Basic (in ₹)		(2.23)	(1.20)
(b) Diluted (in ₹)		(2.23)	(1.20)
Earnings per share after exceptional items (EPS)			
(a) Basic (in ₹)		81.78	(12.08)
(b) Diluted (in ₹)		81.78	(12.08)

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

Diwakar Sapre
Partner
Membership No. 040740
Mumbai
29 May 2023

For and on behalf of the Board

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Vipin Jain
Chief Financial Officer

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Mumbai
29 May 2023

Standalone Statement of Cash Flows for the year ended 31 March, 2023

(₹ in crore)

	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before tax	1,666.25	(249.71)
	Adjustments for :		
	Exceptional Items		
	- Reversal of Provision for impairment of loans & advances receivable from subsidiary (net)	(57.55)	(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	13.19	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	(1,694.42)	(239.91)
	Other non-operating income	(4.55)	(46.55)
	Depreciation	0.22	45.26
	Finance costs	94.65	180.22
	Profit on sale of fleet	-	(99.35)
	Interest income	(28.17)	(15.10)
	Unrealised foreign exchange gains	-	(0.83)
	Operating profit before working capital changes	**(10.38)**	**38.76**
	Changes in working capital:		
	(Increase) / Decrease in inventories	-	9.27
	(Increase) / Decrease in trade receivables, loans and advances and other assets	53.11	(118.00)
	Increase / (Decrease) in trade payables, other liabilities and short term provisions	(4.55)	45.54
	Cash generated from operations	**38.19**	**(24.43)**
	Income taxes refunded / (paid), net	46.14	8.05
	Net cash generated from operating activities	**84.33**	**(16.38)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment of capital expenditure on Property, Plant and Equipment including capital advances and Capital Work in Progress	(3.77)	-
	Proceeds from sale of vessel	-	358.37
	(Purchase) / Sale of Current Investments (Net)	(0.09)	4.95
	Proceeds/(Investment) in Bank deposits	(11.79)	(11.43)
	Proceeds from sale of investments	-	0.06
	Amount depsoited in Escrow account	-	(6.41)
	Intercorporate deposits repaid back by Subsidiary	-	98.19
	Interest received	28.17	15.10
	Net cash (used in) / generated from investing activities	**12.52**	**458.83**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Deposits	(0.03)	129.66
	Proceeds from intercorporate deposits	403.67	-
	Repayment of intercorporate deposits	(123.45)	(70.25)
	Repayment of long-term loans	(383.83)	(508.03)
	Finance costs paid	-	0.49
	Net cash used in financing activities	**(103.64)**	**(448.13)**

	INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(6.79)**	**(5.69)**
	Cash and cash equivalents at the beginning of the year	7.50	13.19
	Cash and cash equivalents at the end of the year	**0.71**	**7.50**

Note:

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

	Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	Cash and cash equivalents as per cash flow statement	0.71	7.50
	Add: Margin money deposits not considered as cash and cash equivalents as per Ind AS-7	-	4.00
	Cash and bank balances (Restricted and Unrestricted)	**0.71**	**11.50**

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

Diwakar Sapre
Partner
Membership No. 040740
Mumbai
29 May 2023

For and on behalf of the Board

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Vipin Jain
Chief Financial Officer

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Mumbai
29 May 2023

Standalone Statement of Changes in Equity for the period ended 31 March, 2023

A. Equity Share Capital

(1) For the year ended March 31, 2023

(₹ in crore)

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 1, 2022	Changes in equity share capital during the year 2022-23	Balance as at March 31,2023
206.98	-	206.98	-	206.98

(2) For the year ended March 31, 2022

(₹ in crore)

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 1, 2021	Changes in equity share capital during the year 2021-22	Balance as at March 31,2022
206.98	-	206.98	-	206.98

B. Other Equity

(1) For the year ended Mar 31, 2023 (₹ in crore)

	Reserves and Surplus								Total
	Securities Premium	Retained Earnings	Debenture Redemption Reserve	Share options outstanding reserve	Tonnage tax (utilised) reserve	Tonnage tax reserve	General reserve	Other comprehensive income	
Balance as on 1 April, 2022	**3.36**	**(8,514.52)**	**101.17**	**0.61**	**-**	**-**	**4,900.22**	**5.83**	**(3,503.33)**
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the current reporting period									
On Account of Adoption of Ind AS during the year									
Profit after tax for the year		1,692.71							**1,692.71**
Other Comprehensive Income (Net of tax expenses) for the year								0.17	**0.17**
Total Comprehensive Income for the current year		**1,692.71**						**0.17**	**1,692.88**
Transferred to General Reserve			**(101.17)**				101.17		
Balance as on 31 March, 2023	**3.36**	**(6,821.80)**	**-**	**0.61**	**-**	**-**	**5,001.38**	**6.00**	**(1,810.45)**

(2) For the year ended March 31, 2022 **(₹ 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 31 March, 2021	**3.36**	**(8,264.54)**	**101.17**	**0.61**	**33.00**	**68.00**	**4,799.22**	**5.60**	**(3,253.58)**
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the current reporting period									
On Account of Adoption of Ind AS during the year									
Profit after tax for the year		(249.97)							**(249.97)**
Other Comprehensive Income (Net of tax expenses) for the year								0.23	**0.23**
Total Comprehensive Income for the current year		**(249.97)**						**0.23**	**(249.75)**
Transferred to General Reserve					(33.00)	(68.00)	101.00		
Balance as on 31 March, 2022	**3.36**	**(8,514.52)**	**101.17**	**0.61**	**-**	**-**	**4,900.22**	**5.83**	**(3,503.32)**

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

Diwakar Sapre
Partner
Membership No. 040740
Mumbai
29 May 2023

For and on behalf of the Board

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Vipin Jain
Chief Financial Officer

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Mumbai
29 May 2023

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 29th May, 2023.

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;
- 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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

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 of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

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.

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. Trade receivables that do not contain a significant financing component are measured at transaction price.

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”.

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 01.04.2021	0.13	2.26	709.37	586.93	0.11	0.12	0.43	**1,299.35**
Additions	-	-	(8.52)	-	-	-	-	**(8.52)**
Dry-docking capitalised	-	-	-	-	-	-	-	**-**
Exchange differences	-	-	0.72	-	-	-	-	**0.72**
Disposals	-	(0.05)	(617.78)	(589.45)	-	(0.09)	-	**(1,207.37)**
As at 31.03.2022	**0.13**	**2.21**	**83.79**	**(2.51)**	**0.11**	**0.03**	**0.43**	**84.18**
Additions	-	-	3.75	-	-	-	0.02	**3.77**
Dry-docking capitalised	-	-	-	-	-	-	-	**-**
Exchange differences	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	**-**
As at 31.03.2023	**0.13**	**2.21**	**87.54**	**(2.51)**	**0.11**	**0.03**	**0.45**	**87.96**
Accumulated Depreciation								
As at 01.04.2021	-	2.24	417.23	191.73	0.11	0.06	0.39	**611.76**
Additions	-	0.02	68.67	11.30	-	0.01	0.03	**80.03**
Disposals	-	(0.05)	(402.12)	(205.54)	-	(0.04)	-	**(607.75)**
As at 31.03.2022	**-**	**2.21**	**83.78**	**(2.51)**	**0.11**	**0.03**	**0.42**	**84.04**
Additions		-	0.21	-	-	-	0.01	**0.22**
Disposals		-	-	-		-	-	**-**
As at 31.03.2023	**-**	**2.21**	**84.00**	**(2.51)**	**0.11**	**0.03**	**0.43**	**84.27**
Net Block								
As at 31.03.2022	**0.13**	**-**	**-**	**-**	**-**	**-**	**0.01**	**0.14**
As at 31.03.2023	**0.13**	**-**	**3.54**	**-**	**-**	**-**	**0.02**	**3.69**

(I) 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).

(II) Assets given as security for borrowings

Land owned by the Company have been given to lenders as security for borrowing facility.

3 Non-current investments

	Particulars	As at 31 March, 2023	As at 31 March, 2022
		₹ 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 year 137,122) Equity shares of AED 1,000/- each of Essar Shipping DMCC, Dubai	252.66	252.66
	Less: Provision for impairment	(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)	**-**	**-**

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	35.77	35.77
Less: Provision for impairment	-	-
Total (b)	**35.77**	**35.77**

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)
Total (d)	**-**	**-**
Total (a+b+c+d)	**35.77**	**35.77**

Aggregate amount of unquoted non - current investments	**6,538.37**	**6,538.37**
Less: Aggregate amount of provision for impairment other than temporary in value of investments	**(6,502.60)**	**(6,502.60)**
Total non-current investments	**35.77**	**35.77**

*Amount less than ₹ 1,00,000

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 settled. Pledge of shares shall be released upon the Company discharges the Bank Guarantee to the tune of ₹ 67.2 crores arranged by Yes bank Limited.

4 (A) Other financial assets (Non-current)

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Bank deposits held as margin money, pledged against certain Bank Guarantee	4.16	4.00
Total other non-current assets	**4.16**	**4.00**

4(B) Other non-current assets

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Income tax assets	1.04	1.84
Total other non-current assets	**1.04**	**1.84**

5 (A) Current investments

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Investment in Mutual Funds (quoted)		
SBI Liquid Fund Direct Growth	1.71	1.61
4,839.217 (Previous Year 4,839.217) Units of SBI Liquid Fund Direct Growth of Face Value ₹ 1,000		
Total current investments	**1.71**	**1.61**

5 (B) **Trade and other receivables**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1.37	5.50
Trade receivables which have significant increase in credit risk	0.75	4.42
Trade receivables - credit impaired	-	-
Less : Loss allowance	(0.75)	(4.42)
Total trade and other receivables	**1.37**	**5.50**

Particulars	Outstanding as on 31-03-2023 for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	1.37	-	-	-	-	1.37
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.25	0.50	-	-	-	0.75
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
less: Loss allowance	-	-	-	-	-	(0.75)
Total	**1.62**	**0.50**	**-**	**-**	**-**	**1.37**

Particulars	Outstanding as on 31-03-2022 for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	4.04	0.17	0.54	-	-	4.75
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		0.07	0.68			0.75
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	4.42	-	-	4.42
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
less: Loss allowance	-	-	-	-	-	(4.42)
Total	**4.04**	**0.24**	**5.64**	**-**	**-**	**5.50**

6 (A) **Cash and cash equivalents**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Balances with banks in current accounts	0.71	7.50
Term Deposit	19.06	7.43
Total Cash and bank balances	**19.77**	**14.93**

6 (B) **Loans (Current)**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Unsecured loan and advances to related parties		
Loan to subsidiaries (including interest accrued thereon) (refer note 27)*	843.21	887.57
Less: adjusted against payable to subsidiary company (Current Liabities - Note 11)	(331.26)	(331.26)
Less: Provision for Impairment	(511.95)	(556.31)
Total loans (Current)	**0.00**	**0.00**

* The Company had issued Stand by Letter of Credit (SBLC) to foreign subsidiary company in earlier year for availing term loan for buying vessels. Due to default by the subsidiary Company, their respective banks have invoked the SBLC and made payment on behalf of the subsidiary company. The said amount has been shown as receivable from subsidiary company and company has charged the interest on said receivables. Further, the provision for impairment has been made in respect thereof because recovery of the money is not foresseable.

6 (C) **Other financial assets (current)**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Interest accrued on fixed deposits	0.06	-
Security deposits	0.50	0.53
Other receivables (See Note Below)	310.04	310.04
Total other financial assets (current)	**310.60**	**310.57**

Recognition of revenue amounting to ₹ 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 out of which ₹ 305.81 crore remains outstanding receivable as on 31st March 2023. The Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1st April 2018 till 31st March 2023. The balance of ₹ 4.23 crores denotes excess amount paid to the bank at the time of settlement last financial year, which is receivable as per the Company.

Other financial assets (Non-current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Bank deposits held as margin money, pledged against certain Bank Guarantee	4.16	-
Total other financial assets - Non-current	**4.16**	**-**

7 **Other Current assets**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Income taxes (Net)	0.07	18.95
Balances with revenue authorities	3.35	3.46
Other advances	-	4.51
Total other current assets	**3.42**	**26.93**

Note: All above other current assets considered good and recoverable in future.

8 Equity Share capital and other equity

8 (A) Equity Share Capital

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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
Preference shares of ₹10/- each	150,000,000	150.00	150,000,000	150.00
	650,000,000	**650.00**	**650,000,000**	**650.00**
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, 2023		As at 31 March, 2022	
	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) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Number	₹ in crore	%	Number	₹ in crore	%
a) Shares held by holding company/ ultimate holding company, their subsidiaries and associates						
Essar Shipping Mauritius Holdings Limited, the immediate holding company	124,362,408	124.36	60.09%	124,362,408	124.36	60.09%
Essar Investment Holdings Mauritius Limited, Mauritius (FKA as 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%**

b) Others

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%**

S. No	Shares held by Promoters at end of the year	As on 31st March, 2023		As on 31st March, 2022		% Change during the year
	Promoter Name	**No of shares ****	**% of total shares**	**No of shares ****	**% of total shares**	
1	Essar Shipping Mauritius Holdings Limited, Mauritius	124,362,408	60.09%	124,362,408	60.09%	0.00%
2	IDH International Drilling Holdco Limited, Cyprus	21,406,365	10.34%	21,406,365	10.34%	0.00%
3	Essar Investment Holdings Mauritius Limited, Mauritius (FKA as Essar Ports and Shipping Limited, Mauritius)	33	0.00%	33	0.00%	0.00%
4	Imperial Consultants and Securities Limited, India	6,878,409	3.32%	6,878,409	3.32%	0.00%

8 (B) **Reserves and surplus**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Debenture redemption reserve	-	101.17
Share options outstanding account	0.61	0.61
Securities Premium	3.36	3.36
General reserve	5,001.38	4,900.22
Retained earnings	(6,821.80)	(8,514.51)
Other Comprehensive Income	6.00	5.83
Total Reserves and surplus	**(1,810.45)**	**(3,503.32)**

Debenture Redemption Reserve

The Company has fully settled/ redeemed the debentures during the year and hence the Debenture Redemption Reserve of ₹ 101.17 crore and hence has been transferred to General Reserve.

Share options outstanding reserve

This reserve contains the intrinsic value of unvested employee stock options.

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/ (losses) that the Company has earned/ incurred 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, 2023 ₹ in crore	As at 31 March, 2022 ₹ in crore	As at 31 March, 2023 ₹ in crore	As at 31 March, 2022 ₹ in crore
Secured				
(a) Debentures				
11.35%, Nil (previour year 7,000) non convertible debentures of ₹10,00,000 each, secured by first charge on six land rigs of a subsidiary (refer note a), two tugs of a Group Company, 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)]	-	-	-	607.76
12.30%, Nil (previous year 100) non convertible debentures of ₹10,00,000 each, secured by mortgage of immovable property, repayable in single bullet payment. [refer foot note (b)]	-	-	-	10.00
(b) Term loans				
(i) from banks				
Rupee term loan	-	-	-	177.91
(Secured by first charge Corporate Guarantee of Subsidiary Company and 51% shares of Subsidiary Company and Movable & Immovable assets of the Subsidiary Company) [refer foot note (c)]				
(ii) from others				
Rupee term loans	392.18	127.36	0.07	50.28
(Secured by first charge on one mini bulk carrier and four tugs of an associate company, three mini bulk carriers of an unrelated entity and corporate guarantee of the ultimate parent company) (Subservient charge on movable fixed assets and current assets of the Company by way of Hypothecation, Demand Promissory notes) (Secured by first charge on Arbitration Award receivable by the Company)[refer foot note (d)]				
Total secured loans [A]	**392.18**	**127.36**	**0.07**	**845.95**
Unsecured				
Bonds				
(a) Foreign currency convertible bonds (FCCBs) [refer note (e) below]	-	1,537.62	1,537.62	-
(b) Others	6.00	-	-	0.60
Total unsecured loans [B]	**6.00**	**1,537.62**	**1,537.62**	**0.60**
Total [A+B]	**398.19**	**1,664.99**	**1,537.69**	**846.55**
Less: Amount disclosed under the head 'Short term borrowings'	-	-	(1,537.69)	(846.55)
Total Long - term borrowings	**398.19**	**1,664.99**	**-**	**-**

Nature of borrowing, including debt securities	Name of lender	Principal	Interest	Whether principal or interest	No. of days delay or unpaid till 31-03-2023
12.30% 100 (previous year 205) non convertible debentures of ₹10,00,000 each	Rajashtan Rajya Vidhyut Karamchari Super Annuation Fund Trust	-	3.39	Interest	699
Rupee Term Loan	IL & FS	0.07	8.87	Principal and Interest	1,422

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 were redeemable at the expiry of 10 years with put and call option exercisable after five years from their respective dates of issue. In an earlier year, the Company had received notice from the debenture holder invoking the put option. During the preceding year, the Company had paid an amount of ₹ 10 crores and the debenture holder had withdrawn ₹ 82.24 crores from the deposit placed with the Bombay High Court after taking approval from the Bombay High Court. During the year, the Company has entered into One Time Settlement (OTS) with the debenture holder and has settled the total dues on payment of ₹ 336.50 crores. Accordingly, on receipt of No Dues certificate, an amount of ₹ 1318.21 crores, comprising of principal amount of ₹ 271.26 crores and accrued interest of ₹ 1046.95 crores, being the gain on OTS, has been shown as Exceptional Income (Refer Note 18). The Company has filed the satisfaction of the charges in this regard.

b) Secured debentures: 100 debentures issued on 22nd June 2012 were redeemable at the expiry of five years from the date of issue. In an earlier year, the lender had sent the loan recall notice due to delay in debt servicing. During the year, the Company has repaid the principal amount due and has applied for waiver of the interest for amount outstanding.

c) Rupee Term Loans from Banks: The Company has settled the loan with the lender bank by monetising the security offered under the facility. As the Company has completed the agreed milestones as per One Time Settlement (OTS), although the Company has not received the no due certificate, the Company has accounted ₹ 340.80 crores, comprising of principal of ₹ 177.91 crores and interest of ₹ 162.89 crores, being the gain on OTS and the same has been shown as Exceptional Income (Refer Note 18). The Lender has given Bank Guarantee, against which the Company has withdrawn amount from the High Court of Mumbai against deposit done by SAIL towards arbitration award. The Lender has informed vide their letter dated 2nd January 2023 that they have assigned/sold loan exposure aggregating to an Asset Construction Company. The Company is in the process of fliing the satisfaction of the charges in this regard.

d) Rupee Term Loans from Others: During the year, the Company has accounted ₹ 35.40 crores, comprising of principal of ₹ 25 crores and interest of ₹ 10.4 crores, being the Exceptional Income (Refer Note 18) as the lender has gone into liquitation and no claim received till date. Further, the Company expect that no claim will come in future. The Company is in the process of fliing the satisfaction of the charges in this regard and charge is still name of the Original Lender.

e) Foreign currency convertible bonds:i) FCCBs of US$ 128,571,429 (Series A) due on 24 August, 2015 and US$ 111,428,571 (Series B) due on 24 August, 2017 - repayment extended by Bond Holder till 24 August, 2023 (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. The FCCB liability has been freezed vide letter dated August 31, 2017 at Rs. 1537.62 crores.

f) 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.

g) Interest rates: Loans availed from banks, financial institutions, NBFC's and Alternate Investment Funds carry a weighted average interest rate of 22.56% per annum (previous year: 14.81% per annum)

h) 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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Not Later than one year	1,537.69	846.55
Later than one year but not later than five years	398.19	1,664.99

9 (B) Trade payables

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Trade payables:		
- Total outstanding dues to micro and small enterprises (refer note below)	0.00	-
- Total outstanding dues to creditors other than micro and small enterprises	32.94	32.57
Total trade payable	**32.94**	**32.57**

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Principal amount due and remaining unpaid	0.00	-
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	-	-

Particulars	Outstanding as on 31-03-2023 for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	16.97	(1.28)	-	-	17.24	32.94
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

Particulars	Outstanding as on 31-03-2022 for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	7.17	(0.67)	7.83	(1.45)	19.70	32.57
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

9 (C) Other financial liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Interest accrued	13.17	1,145.47
Advance from customers	-	5.04
Total financial liabilities	**13.17**	**1,150.51**

10 Employee benefit obligations

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Defined benefit plans	2.46	2.64
Defined contribution schemes	0.19	0.19
Total Employee benefit obligations	**2.65**	**2.83**

10 Employee benefit obligations:

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, 2023	As at 31 March, 2022
a) Employer's contribution to gratuity fund (offshore crew staff)	-	0.05
b) Group accident policy premium (all employees)	-	-
c) Employer's contribution to pension fund (offshore crew staff)	0.00	0.04
d) Employer's contribution to provident fund (offshore crew staff)	-	0.07
Total	**0.00**	**0.16**

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, 2023 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) 31.03.23	Gratuity (non-funded) 31.03.23	Provident fund (funded) 31.03.23	Gratuity (funded) 31.03.22	Gratuity (non-funded) 31.03.22	Provident fund (funded) 31.03.22
Present value of defined benefit obligations as at the beginning of the year	0.57	2.47	42.00	1.35	2.47	42.00
Transfer in/(out) obligation	-	-	-	-	-	-
Current service cost	0.03	0.29	-	0.15	0.29	-
Current service contribution- employee	-	-	-	-	-	-
Interest cost	0.02	0.15	-	0.06	0.15	-
Other adjustments	-	-	-	-	-	-
Benefits paid	(0.38)	-	(10.85)	(0.84)	-	-
Actuarial (gain)/loss on obligations	(0.17)	(0.07)	-	(0.14)	(0.07)	-
Present value of defined benefit obligations as at the end of the year	**0.08**	**2.84**	**31.15**	**0.57**	**2.84**	**42.00**

(B) Changes in the fair value of plan assets:

Particulars	Gratuity (funded) 31.03.23	Provident fund (funded) 31.03.23	Gratuity (funded) 31.03.22	Provident fund (funded) 31.03.22
Fair value of plan assets at the beginning of the year	**0.81**	**42.82**	**1.53**	**42.82**
Transfer in/(out) plan assets	-	-	-	-
Return on plan assets	(0.00)	-	0.02	-
Interest income on plan assets	0.04	-	0.07	-
Contributions by the employer/ employees	-	(11.67)	0.03	-
Benefits paid	(0.38)	-	(0.84)	-
Other adjustments	-	-	-	-
Fair value of plan assets as at the end of the year	**0.46**	**31.15**	**0.81**	**42.82**

(C) Amount recognised in balance sheet:

Particulars	Gratuity (funded) 31.03.23	Gratuity (non-funded) 31.03.23	Provident fund (funded) 31.03.23	Gratuity (funded) 31.03.22	Gratuity (non-funded) 31.03.22	Provident fund (funded) 31.03.22
Present value of defined benefit obligations as at the end of the year	**0.08**	**2.84**	**31.15**	**0.57**	**2.84**	**42.00**
Fair value of plan assets as at end of the year	0.46	-	31.15	0.81	-	42.82
Liability recognised in the Balance Sheet (included in provisions) (note 10)	**(0.39)**	**2.84**	**-**	**(0.24)**	**2.84**	**-**

(D) Expenses recognised in the Statement of Profit and Loss:

Particulars	Gratuity (funded) 31.03.23	Gratuity (non-funded) 31.03.23	Provident fund (funded) 31.03.23	Gratuity (funded) 31.03.22	Gratuity (non-funded) 31.03.22	Provident fund (funded) 31.03.22
Current service cost	0.03	-	-	0.15	0.29	-
Past service cost- plan amendments	-	-	-	-	-	-
Net interest on net defined benefit liability/ (asset)	(0.01)	-	-	(0.01)	0.15	-
Total expenses recognised in the Statement of Profit and Loss (Included in Contribution to provident and other funds (note no. 15)	**0.02**	**-**	**-**	**0.13**	**0.44**	**-**

(E) Amount recongnised in other comprehensive income **₹ in crore**

Particulars	31.03.23	31.03.22
Experience adjustments	0.17	0.23
Total	**0.17**	**0.23**

(F) Category of plan assets:

Particulars	Gratuity (funded) 31.03.23	Provident fund (funded) 31.03.23	Gratuity (funded) 31.03.22	Provident fund (funded) 31.03.22
Administered by Life Insurance Corporation of India *	100%	-	100%	-
Government of India securities (Central and State)	-	32.00%	-	32.00%
Public sector bonds/ TDRs	-	68.00%	-	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) 31.03.23	Gratuity (funded) 31.03.22
DBO On base assumptions		
A. Discount Rate	7.40%	5.65%
1. Effect due to 0.5% increase in discount rate	(0.56)	(0.56)
2. Effect due to 0.5% decrease in discount rate	0.58	0.58
B. Salary Escalation Rate	5.00%	5.00%
1. Effect due to 0.5% increase in salary escalation rate	0.57	0.57
2. Effect due to 0.5% decrease in salary escalation rate	(0.56)	(0.56)
C. Withdrawal Rate	8.00%	8.00%
1. Effect due to 5% increase in withdrawal rate	(0.57)	(0.57)
2. Effect due to 5% decrease in withdrawal rate	0.56	0.56

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) 31.03.23	Gratuity (non-funded) 31.03.23	Provident fund (funded) 31.03.23	Gratuity (funded) 31.03.22	Gratuity (non-funded) 31.03.22	Provident fund (funded) 31.03.22
Discount rate (per annum)	7.40%	6.70%	6.60%	5.65%	6.70%	6.60%
Rate of return on plan assets (for funded scheme)	0.00%	0.00%	8.00%	0.00%	0.00%	8.00%
Withdrawal rate	8.00%	7.00%		8.00%	7.00%	
Expected returns on EPFO	-	-	8.00%	-	-	8.00%
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 2022-23 amounts to ₹ 0.29 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, 2023 ₹ in crore	As at 31 March, 2022 ₹ in crore
Statutory and other related dues	0.37	0.19
Advance received against sale consideration	331.26	331.26
Less: Adjusted against loans receivable from subsidiary company (current- Note 6D)*	(331.26)	(331.26)
Total other current liabilities	**0.37**	**0.19**

12 Revenue from operations

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Sale of services		
Fleet operating and chartering earnings	1.98	137.87
Other operating income		
Supervision / Management fees	1.35	2.16
Total revenue from operations	**3.33**	**140.03**

13 Other income

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Interest income		
- from banks	0.59	0.17
- from others	27.58	14.93
Net gain / loss on foreign currency translation and transaction (other than considered as finance cost)	-	0.83
Profit on sale of fleet	-	99.35
Other non operating income	7.36	46.79
Total interest income	**35.53**	**162.06**

14 Operating expenses

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Consumption of stores and spares	-	6.09
Consumption of fuel, oil and water	0.01	27.96
Direct voyage expenses	0.01	15.85
Commission, brokerage and agency fees	0.06	0.96
Standing costs	0.30	5.63
Insurance, protection and indemnity club fees	0.13	4.73
Total operating expenses	**0.51**	**61.22**

15 Employee benefits expense

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Offshore staff		
Salaries, wages and bonus	-	18.48
Contribution to staff provident and other funds	0.00	1.14
Staff welfare expenses	-	2.51
Office staff		
Salaries, wages and bonus	3.20	9.65
Contribution to staff provident and other funds	0.17	0.61
Staff welfare expenses	0.27	1.00
Total employee benefits expense	**3.65**	**33.39**

16 **Finance costs**

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Interest expense		
- on bank loans	-	5.79
- on finance lease obligations	-	6.10
- on debentures	92.59	164.45
- on others	0.04	1.11
Loan commitment / processing charges, guarantee fees and other charges	2.02	2.78
Total finance costs	**94.65**	**180.22**

17 **Other expenses**

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Rent	0.01	1.23
Rates and taxes	0.00	0.10
Repairs and maintenance		
-buildings	0.00	0.01
-others	0.09	0.80
Legal and professional fees	4.21	2.81
Travelling and conveyance	0.18	0.24
Auditor's remuneration (refer note below)	0.28	0.24
Net loss on foreign currency translation and transaction (other than considered as finance cost)	1.05	-
Sundry balances written-off (Net)	4.73	0.24
Other establishment expenses	1.81	0.91
Total other expenses	**12.36**	**6.56**

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
As auditors	0.24	0.22
Reimbursement of expenses*	0.00	0.00
For other services	0.03	0.01
Total	**0.28**	**0.24**

*Amount less than ₹ 1,00,000

18 Exceptional items

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
a) Income		
Reversal of Provision for impairment of loans & advances receivable from subsidiary (net)	57.55	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
Gain on foreclose of Finance Lease	-	294.16
Profit on sale of Compulsory Convertible Preference Shares of the Subsidiary Company *	-	0.06
Gain from One Time Settlement of Loans	1,694.42	239.91
Total	**1,751.97**	**570.56**
b) Expense		
Provision for Impairment as per Ind AS 36 in the fair value of subsidiaries based on management assessment and valuation report	-	252.66
Provision for Impairment of loans and advances receivable from Subsidiary	13.19	543.05
Total exceptional items	**13.19**	**795.71**

The impairment of Company's receivable from Indian subsidiary company, 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 company and consequent effect on the investments. Further the same subsidiary company has admitted Corporate Insolvency Resolution Process (CIRP) and recovery of the money is not foresseable and hence the net impairment of ₹ 13.19 crores provided during the year.
For Gain from One Time Settlement of Loan , please refer Foot Note (a) of Note 9 (A) - Borrowings.

19 Income taxes

Income tax expense recognised in the profit and loss account comprises of:

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Current income taxes	-	0.26
Income tax expense for the year	**-**	**0.26**
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, 2023 and 31 March, 2022 are as follows:

Particulars	Year ended 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Profit / (Loss) before taxes	1,666.25	(249.71)
Effective tax rate in India: 25.1680%*	-	-
Tax effect of adjustment for profits subject to tonnage tax regime / presumptive taxation	-	0.26
Income tax expense recognised in the profit and loss account	**-**	**0.26**

***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. Effective tax rate calculated as per the Section 115BAA of the Income Tax Act,1961.

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Debt (including borrowings from related and unrelated parties and finance lease obligations)	1,935.88	2,511.54
Less: Cash and cash equivalent including short term deposits (restricted)	(19.77)	(18.93)
Less: Current Investments in Mutual Fund	(1.71)	(1.61)
Net debt (A)	**1,916.11**	**2,492.61**
Total equity (B)	**(1,603.47)**	**(3,296.35)**
Net debt to equity ratio (A/B)	**(1.19)**	**(0.76)**

(ii) Categories of financial instruments

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	₹ 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	19.77	19.77	18.93	18.93
Loans and other receivables	1.37	1.37	5.50	5.50
Other financial assets	314.75	314.75	310.57	310.57
At fair value through profit and loss				
Investments in Mutual Funds	1.71	1.71	1.61	1.61
Total	**337.60**	**337.60**	**334.99**	**334.99**

Financial liabilities:

At amortised cost

Borrowings	1,935.88	1,935.88	2,511.54	2,511.54
Trade and other payables	32.94	32.94	32.57	32.57
At fair value through profit and loss				
Other financial liabilities	13.17	13.17	1,150.51	1,150.51
Total	**1,981.98**	**1,981.98**	**3,694.62**	**3,694.62**

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, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
	Level 2	**Level 2**
Assets		
Investments in Mutual Fund	1.71	1.61

(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:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
	Financial assets	Financial Liabilities	Financial assets	Financial Liabilities
United States Dollars (US$)	806.09	348.44	11.91	19.48
Currencies other than INR & US$	-	-	0.43	0.20
Total	**806.09**	**348.44**	**12.34**	**19.68**

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
US$ impact	22.88	(0.37)
(impact on profit before tax)		

(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, 2023 would increase/decrease by ₹ 2.05 crore (previous year ₹ 5.95 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 2023. 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, 2023 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.

(vi) 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.

(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, 2023			
	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	1,537.69	398.19	-	1,935.88
Finance lease payables	-	-	-	-
Trade and other payables	32.94	-	-	32.94
Other financial liabilities	13.17	-	-	13.17
Total financial liabilities	**1,583.80**	**398.19**	**-**	**1,981.98**

Particulars	As at 31 March, 2022 As at 31st March, 2019			
	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	846.55	1,664.99	-	2,511.54
Finance lease	-	-	-	-
Trade and other payables	32.57	-	-	32.57
Other financial liabilities	1,150.51	-	-	1,150.51
Total financial liabilities	**2,029.63**	**1,664.99**	**-**	**3,694.63**

22 **Contingent liabilities (to the extent not provided for)**

a)

Claims against the company not acknowledged as debts	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Income tax demand- appeal filed by the company with Commissioner of Income tax - Appeals and Income Tax Appeallate Tribunal	-	156.20
Income tax demand - appeal filed by the Income tax department in the High court of Bombay against the orders of Appellate Tribunal in favour of the Company	39.09	39.09
Bank Guarantee issued by the Bank	67.20	-
Demand Loan of Bank due to SBLC invocation	338.32	-

b)

Others	Purpose for which the Guarantee is proposed to be utilised by the recipient	As at 31 March, 2023	As at 31 March, 2022
		₹ in crore	₹ in crore
Corporate guarantees on behalf of subsidiaries & associates			
A) OGD Services Limited, India	Corporate guarantee given for subsidiary Debts	878.49	905.33
B) Varada Drilling One Pte Ltd, Singapore and Varada Drilling Two Pte Limited, Singapore	Corporate guarantee given for subsidiary Debts	-	227.42
		878.49	**1,132.75**

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
India	1.98	67.59
Singapore	-	54.07
Cyprus	-	18.76
United Arab Emirates	-	-
Taiwan	-	-
Mauritius	1.35	-
Denmark	-	(0.06)
Bangladesh	-	(0.33)
Total	**3.33**	**140.03**

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Loss for the year before exceptional items	(72.53)	(24.57)
Loss for the year after exceptional items	1,692.71	(249.97)
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)	(2.23)	(1.20)
Earning per share before exceptional items - diluted (face value ₹10/- each)	(2.23)	(1.20)
Earning per share after exceptional items - basic (face value ₹10/- each)	81.78	(12.08)
Earning per share after exceptional items - diluted (face value ₹10/- each)	81.78	(12.08)

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	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	As at 31 March, 2023		As at 31 March, 2022	
		Amount Outstanding	Maximum amount Outstanding	Amount Outstanding	Maximum amount Outstanding
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
Loan to Related parties					
Subsidiary Companies:					
OGD Services Limited*	Paid to their lenders on their behalf due to Guarantee given by the Company	-	38.99	-	12.54
Essar Shipping DMCC*	Project Funding for buying vessels	-	472.95	-	712.84

* As on date no amount are outstanding from susbsidiary companies because the Company has already made Impariment provision of receivables in the books.

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.

Since the period of ESOP scheme has been expired the Company has already passed a Board resolution to close the trust and the Company is in process of the same.

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 II Limited, Bermuda
ii) OGD Services Holding Limited, Mauritius (formely known as Essar Oilfields Services Limited)
iii) OGD Services Limited, India (formerly known as Essar Oilfield Services India Limited) (admitted under CIRP on 09.02.2023)
iv) Essar Shipping DMCC, Dubai

c) Associates

i) Arkay Logistics Limited, India

d) Key management personnel

i) Mr. Ranjit Singh (President & CEO till 30.09.2022)
ii) Mr. Rajesh Desai (Wholetime Director)
iii) Mr. N. Srinivasan (Non- Executive Director till 08.09.2022)
iv) Capt. B. S. Kumar (Non- Executive Director till 08.09.2022)
v) Mr. Ketan Shah (Chief Financial Officer till 30.09.2022)
vi) Mr. Vipin Jain (Chief Financial Officer from 01.10.2022)
vii) Ms. Nisha Barnwal (Company Secretary)
viii) Mr. Jayakumar (Non- Executive Independent Director)
ix) Ms. Raichel Mathew (Non- Executive Woman Director)
x) Ms. Raji Chandrashekhar (Independent Director)
xi) Mr. R Suresh (Independent Director)
xii) Mr. Sunil Modak (Independent Director)

e) Fellow subsidiaries where there have been transactions

i) Essar Bulk Terminal Limited
ii) Essar Shipping (Cyprus) Limited
iii) Essar Steel Metal Trading Limited

iv) AGC Networks Limited
v) Essar Power (Orissa) Limited
vi) Essar Foundation
vii) Futura Travels Limited
viii) Edwell Infrastructure Hazira Limited
ix) Bhagwat Power Salaya 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, 2023	As at 31 March, 2022	Year ended 31 March, 2023	As at 31 March, 2022	Year ended 31 March, 2023	As at 31 March, 2022	Year ended 31 March, 2023	As at 31 March, 2022	Year ended 31 March, 2023	As at 31 March, 2022
INCOME										
Revenue from operations										
Essar Shipping DMCC			-	6.34					**-**	**6.34**
Total	**-**	**-**	**-**	**6.34**	**-**	**-**	**-**	**-**	**-**	**6.34**
Management & supervision fees										
OGD Services Holdings Limited			1.35	-					**1.35**	**-**
Total	**-**	**-**	**1.35**	**-**	**-**	**-**	**-**	**-**	**1.35**	**-**
Sale of Preference Shares										
Essar Steel Metal Trading Limited	-	-	-	-	-	0.06	-	-	**-**	**0.06**
Total	**-**	**-**	**-**	**-**	**-**	**0.06**	**-**	**-**	**-**	**0.06**
Gain on Foreclosure of Finance Lease										
Essar Shipping DMCC	-	-	-	294.16	-	-	-	-	**-**	**294.16**
Total	**-**	**-**	**-**	**294.16**	**-**	**-**	**-**	**-**	**-**	**294.16**
Managerial remuneration #										
Ranjit Singh							1.34	2.04	**1.34**	**2.04**
Ketan Shah							0.80	1.51	**0.80**	**1.51**
Jyotsna Gupta							-	0.23	**-**	**0.23**
Subimal Mahato							-	0.34	**-**	**0.34**

Rajesh Desai							0.10	0.04	**0.10**	**0.04**
Vipin Jain							0.52	-	**0.52**	**-**
Nisha Barnwal							0.07	0.03	**0.07**	**0.03**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**2.82**	**4.18**	**2.82**	**4.18**
Sitting fees paid to Non-Executive Directors										
Director sitting fees							0.23	0.22	**0.23**	**0.22**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**0.23**	**0.22**	**0.23**	**0.22**
Direct Voyage expenses										
Essar Shipping (Cyprus) Limited					-	2.01			**-**	**2.01**
Arkay Logistics Limited					-	0.30			**-**	**0.30**
Essar Bulk Terminal Limited					0.00	0.09			**0.00**	**0.09**
Total	**-**	**-**	**-**	**-**	**0.00**	**2.39**	**-**	**-**	**0.00**	**2.39**
Professional fees										
Raichel Mathew					0.08		-	-	0.08	-
Total	**-**	**-**	**-**	**-**	**0.08**	**-**	**-**	**-**	**0.08**	**-**
Repairs & Maintenance Charges										
AGC Networks Limited					-	0.24			**-**	**0.24**
Ticket Charges										
Futura Travels Limited					0.10	0.07			**0.10**	**0.07**
Contribution to staff provident fund										
Essar Shipping Staff Provident Fund Trust					0.25	1.07			**0.25**	**1.07**
Interest on finance lease obligations										
Essar Shipping DMCC			-	5.81					**-**	**5.81**
Donation paid										
Essar Foundation					-	0.15			**-**	**0.15**
Provision for Impairment										
OGD Services Limited			13.19	-					**13.19**	
Essar Shipping DMCC			-	795.71					**-**	**795.71**
Total	**-**	**-**	**13.19**	**801.52**	**0.35**	**1.53**	**-**	**-**	**13.54**	**803.05**
Reversal of Provision for Impairment										
OGD Services Limited			-	0.66					**-**	**0.66**
Arkay Logistics Limited					-	35.77			**-**	**35.77**
Essar Shipping DMCC			57.55	-					**57.55**	
Total	**57.55**	**-**	**57.55**	**0.66**	**-**	**35.77**	**-**	**-**	**57.55**	**36.43**
Loans & Advances given / repaid										
Essar Shipping DMCC (net amount)			-	25.20					**-**	**25.20**

Arkay Logistics Limited			19.26	-					**19.26**	**-**
Edwell Infrastructure Hazira Limited					60.15	-			**60.15**	**-**
Essar Steel Metal Trading Limited					15.78	-			**15.78**	**-**
Bhagwat Power Salaya Limited					-	40.00			**-**	**40.00**
Total	**-**	**-**	**19.26**	**25.20**	**75.93**	**40.00**	**-**	**-**	**95.19**	**65.20**
Loans & Advances received										
Arkay Logistics Limited			25.26	-					**25.26**	**-**
Essar Steel Metal Trading Limited					41.49	2.19			**41.49**	**2.19**
Edwell Infrastructure Hazira Limited					323.72	-			**323.72**	**-**
Total	**-**	**-**	**25.26**	**-**	**365.21**	**2.19**	**-**	**-**	**390.47**	**2.19**

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**	
	Year ended 31 March, 2023	**As at 31 March, 2022**	**Year ended 31 March, 2023**	**As at 31 March, 2022**	**Year ended 31 March, 2023**	**As at 31 March, 2022**	**Year ended 31 March, 2023**	**As at 31 March, 2022**	**Year ended 31 March, 2023**	**As at 31 March, 2022**
Trade and other receivables										
Essar Shipping DMCC			-	0.62					**-**	**0.62**
OGD Services Holdings Limited			1.35	-					**1.35**	**-**
Total	**-**	**-**	**1.35**	**0.62**	**-**	**-**	**-**	**-**	**1.35**	**0.62**
Loans and advances (including interest accrued)										
IDH International Drilling Holdco Limited	0.52	0.48							**0.52**	**0.48**
Essar Shipping DMCC*	804.21	861.77							**804.21**	**861.77**
Total	**804.73**	**862.25**	**-**	**-**	**-**	**-**	**-**	**-**	**804.73**	**862.25**
Advance received from customer										
Arkay Logistics Limited					-	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					77.08	51.36			**77.08**	**51.36**
Edwell Infrastructure Hazira Limited					264.17	0.60			**264.17**	**0.60**
Bhagwat Power Salaya Limited					40.00	40.00			**40.00**	**40.00**
Arkay Logistics Limited					6.00	-			**6.00**	**-**
Trade Payables										
Arkay Logistics Limited					-	0.56			**-**	**0.56**
Essar Shipping Staff Provident Fund Trust					0.02	0.03			**0.02**	**0.03**
Essar Bulk Terminal Limited					-	3.81			**-**	**3.81**
AGC Networks Limited					-	0.29			**-**	**0.29**
Essar Shipping DMCC					8.33	7.40			**8.33**	**7.40**
Essar Shipping (Cyprus) Limited					8.85	8.16			**8.85**	**8.16**
Total	**-**	**-**	**-**	**-**	**17.20**	**20.25**	**-**	**-**	**17.20**	**20.25**
Guarantees given on behalf of others										
OGD Services Limited			878.49	905.33					**878.49**	**905.33**
Total	**-**	**-**	**878.49**	**905.33**	**-**	**-**	**-**	**-**	**878.49**	**905.33**

*** Provision for Imapirtment of ₹ 511.95 (net-off of capital advance received) with respect to amount receivable from Essar Shipping DMCC provided in previous years.**

28 Going Concern

As on 31 March 2023, the net worth of the Company is eroded as it is incurring losses since last several years. The Company has accumulated losses of ₹ 6,821.80 crore as against share capital and reserves of ₹ 5,011.35 crore and the Company's current liabilities exceeds its current assets. The Company has purchased one Tug during the current financial year and given on Bare-boat charter basis to the Customer. In view of these, the Financials have been prepared on a Going Concern basis.

29 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.

30 Subsequent event

The Company has settled the one of the Financial Institution (Lender) under the One Time Settlement (OTS).

31 Other Statutory Disclosure

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

32 The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

33 The Company is not declared a wilful defaulter by any bank or financial institution or other lenders.

34 The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

35 The Company does not have any transaction that are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

36 There are no proceedings initiated or pending for holding any benami property under the Benami Transaction (Prohitition) Act, 1988

37 There is no Investment Property held by Company.

38 The Company has neither traded in nor holds Crypto Currency or Virtual Curency during the year.

39 During the current year, the company has not made any Loans or advances in the nature of Loans are granted to Promoters, Directors, KMPs and the related parties (as define under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand: or (b) without specifying any term or period of repayment.

40 The Company does not have any transaction with companies struck off under section 248 of the Company Act 2013, or section 560 of Companies Act, 1956.

41 During the Year, Company has not taken any term loan from any bank of financial Institutions.

42 Comparative Ratio Analysis

Sr No	Ratio	Numerator	Denominator	March 2023	March 2022	% Variances	Reason for Variance (if +/- 25%)
i	Current Ratio	Current Asset	Current Laibility	0.21	0.18	18.70	
ii	Debt to Equity Ratio	Total Long Term Debt	Share Holders Equity	-1.22	-1.11	9.56	
iii	Debt Service Coverage Ratio	EBITDA	Interest + Installment	0.06	0.36	(82.57)	During the year the Company has monetised the assets and sale proceeds of the same has been utilised to settled the loan and profit also increased due to exceptional income
iv	Return on Equity	Net Income	Share Holders Equity	-0.69	0.08	(977.51)	Due to Increase in profit during the year because of Exceptional Income
v	Inventory Turn Over Ration	Cost of goods sold or Sales	Avg Inventory	-	-	-	
vi	Trade Receivable Turnover Ratio	Credit Sale	Avg Account Receivable	0.81	15.33	(94.73)	The Receivables from debtors got reduced due to recovery from them at the end of current financial year
vii	Trade Payable Turnover Ratio	Total Purchase	Avg Account Payable	0	0	-	
viii	Working Capital Turnover Ration	Net Annual Sale	Working Capital	-0.00	-0.07	(96.90)	Turnover reduced during the year and there is reduction in working capital due to repayment of loans

ix	Net Profit Ratio	Net Profit	Revenue	508.42	-1.79	(28,581.02)	During the year there is no major operating revenue in the Company but net profit increased due to exceptional income
x	Return on Capital Employed	EBIT	Capital Employed	0.06	0.43	(85.17)	During the year, Earning before interest and tax increased due to Exceptional income and capital employed decrease due to repayment of loan

43 The previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date

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

Diwakar Sapre
Partner
Membership No. 040740
Mumbai
29 May 2023

For and on behalf of the Board

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Vipin Jain
Chief Financial Officer

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Mumbai
29 May 2023

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 joint venture comprising of the Consolidated Balance Sheet as at 31 March, 2023, 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 joint venture as at 31 March, 2023, 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 wherein it is stated that

- The Group has accumulated losses of Rs. 6,020.82 crore as against capital and reserves of Rs. 3,278.74 crore as on 31st March 2023.
- 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 Group's Holding Company has disposed off most of its assets with a view to pay off its outstanding dues to lenders / vendors.
- The net worth of the Group has eroded and it is incurring continuous losses since last several years.

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

As informed to us, the management is exploring business opportunity of In-chartering in the shipping sector. Further, the Holding Company has bought one tug during the year and given to a customer on Bareboat charter hire. (as referred in Note No.27 of Consolidated Financial Statements)

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

Our opinion on the Consolidated Financial Statements is not modified for the above matter.

Emphasis of Matter

a. We draw attention to our observations in above paragraph of " **Material Uncertainty Related to Going Concern**" whereby, in spite of several factors mentioned therein, the Consolidated Financial Statements are prepared on "Going Concern" basis;

b. We draw attention to Note No.4(E) of the Consolidated Financial Statements 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 31st March 2023. 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 31st March 2023.

c. In case of one subsidiary, the respective auditors have pointed out that that in spite of not having operations for last several years, the concerned financial statements have been prepared on going concern basis, in view of the representation by the management that the Company has a positive net worth and management has plans to restart the operating activities in the near future.

d. We draw attention to Note No.9(A) of the Consolidated Financial Statements relating to recognition of gain on settlement with one of the banks. Standby Letter of Credit

(SBLC) issued by the Company with the said bank for Rs.303.37 crore in earlier years to secure a loan availed by a subsidiary, were invoked in an earlier year. In the preceding year, the Company had settled the loan with the said bank and paid the dues through monetization of assets. Pending outstanding bank guarantee, 'no due certificate' has not been received from the said bank. The Company does not expect any additional liability to devolve in this regard. During the year, the Company has accounted for the gain of Rs. 340.80 Crore on One Time Settlement and included the same under Exceptional Items.

e. Attention is drawn to netting off of Rs. 331.26 Crore 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.

f. In an earlier year, loan of Rs. 25 Crore taken by the Company from an Alternate Investment Fund (AIF) was assigned to Environ Energy Corporation India Private Limited (EECIPL). The NCLT vide its order dated 19th May 2021 has ordered EECIPL to be liquidated in terms of Section 33(2) of IBC Code, 2016. The Company does not expect any claim from the liquidator and hence, during the year, the Company has written back Rs. 35.41 Crore (comprising principal of Rs. 25 Crore and interest of Rs. 10.41 crore) and included the same under Exceptional Items.

g. Borrowings from various lenders are subject to confirmation/ reconciliation.

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

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 evaluation As on 31 March 2023 the Group has accumulated losses of Rs. 6,020.82 crore as against capital and reserves of Rs. 3,278.74 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 has disposed off most of it's assets with a view to pay off outstanding dues to lenders/ vendors and has no revenue generating assets as at the year end. The value of security offered in connection with various borrowings as at 31st March, 2023 is substantially lower than the amounts outstanding to the lenders. The Group's current liabilities exceeds its current assets as on March 31, 2023 (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 external confirmation of balances from each of these lenders to confirm the balance outstanding as on 31 March 2023. 2. Assessing management's steps taken to meet liabilities as and when they become due for payment. 3. Obtained and evaluated the Group's 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. 5. Evaluating legal and other developments related to the Holding Company and / or its subsidiaries based on Minutes of the Audit Committee and Board of Directors. We have obtained supporting evidence for the key assumptions made and the disclosures in the Consolidated Financial Statements.
Evaluation of Litigation matters The Group has certain significant open legal proceedings including 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 and 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 matters during the year ended 31 March 2023. 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 and subsidiaries incorporated in India 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 joint venture 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 joint

venture 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 joint venture 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 of which we are independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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. For the purpose of consolidation, we have reviewed the Financial Statement of one subsidiary, whose Financial Statements reflect net assets of Rs. (1048.33) crore as at 31st March 2023, total revenue of Rs. 15.49 crore and Rs. 58.69 crore and total comprehensive loss (comprising of net loss after tax and other comprehensive income) of (Rs. 12.99 crore) and (Rs. (20.9) crore) for the quarter and year ended on 31st March 2023 respectively, as considered in the audited Consolidated Financial Statements. These financial statements 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 Consolidated Financial Statements include the unaudited management certified Financial Statements of

   i. One Step down subsidiary which reflect net assets of (Rs. 11.33 Crore) as at 31st March, 2023, total revenue of (Rs. 0.06 Crore and Rs. 1.18, and total Comprehensive Income/(loss) (comprising of net loss after tax and other comprehensive income) of (Rs. 0.04 Crore and Rs.1.16 Crore for the quarter and year ended on 31st March 2023 respectively,

   ii. One jointly controlled entity which reflects share of profit of Rs. Nil and Rs. 0.24 Crore for the quarter and year ended 31st March 2023 respectively.

   These Unaudited Financial Statements and other unaudited financial information have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and 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 explanation given to us by the Board of Directors, these Unaudited Financial Statements and the other unaudited financial information are not material to the group.

c. The Financial Statements of one subsidiary (which has been admitted to NCLT and undergoing CIRP process) and one associate have not been consolidated.

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

1. 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 joint venture 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, 2023, 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 joint venture, incorporated in India, is disqualified as on March 31, 2023 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 joint venture 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.

(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, 2022 on the consolidated financial position of the Group, its associate and joint venture - 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 and Protection Fund by the Holding Company, its subsidiary company, associate and joint venture, incorporated in India.
d)	i) The management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to accounts (refer Note No.29) 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 joint venture 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 joint venture (“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, other than as disclosed in the notes to accounts (refer Note no.30) no funds have been received by the Group, its associate and joint venture 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.

(e) The Company has not declared or paid any dividend during the year. Hence the question of compliance with provisions of section 123 of the Companies Act, 2013 does not arise.

(f) As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1,2023, reporting under this clause is not applicable for the year under audit.

2. With respect to the matters specified in para 3(xxi) and para 4 of CARO 2020 issued by Central Government in terms of sec 143(11) of the Act, to be included in the auditor's report, according to the information and explanation given to us and based on CARO Report issued by us for the holding company to which reporting requirements under CARO 2020 is applicable, we report that there are no qualifications or adverse remarks in this CARO Report of the company and in case of two subsidiary companies, which are incorporated outside India, provisions of paragraph 3(xxi) of the Order are not applicable to the said subsidiary Companies.

For **C N K & Associates LLP**
Chartered Accountants
Firm registration number: 101961 W/W-100036
Diwakar Sapre
Partner
Membership number: 040740
UDIN: 23040740BGSEUK1532

Place: Mumbai
Date: 29th May, 2023

Annexure - A to the Independent Auditors' 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, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company. One subsidiary company and the associate incorporated in India have not been consolidated Further one subsidiary incorporated in India and the joint venture have been consolidated on the basis of management certified accounts. Accordingly, this report relates to the holding company only.

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has 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, 2023, 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 joint venture, 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
Diwakar Sapre
Partner
Membership number: 040740
UDIN: 23040740BGSEUK1532

Place: Mumbai
Date: 29th May, 2023

Consolidated Balance Sheet as at 31 March, 2023

(₹ in crore)

	Particulars	Note no.	As at 31 March, 2023	As at 31 March, 2022
	ASSETS			
1	**Non-current assets**			
	(a) Property, plant and equipments	2 (A)	57.75	111.91
	(b) Investments	3	36.01	38.77
	(c) Financial assets			
	- Other financial assets	4 (E)	4.16	-
	(d) Other non-current assets	5	1.04	1.84
	Total non-current assets		**98.96**	**152.52**
2	**Current assets**			
	(a) Inventories	6	2.68	9.02
	(b) Financial assets			
	i. Investments in Mutual Funds	4 (A)	1.71	1.61
	ii. Trade and other receivables	4 (B)	13.14	24.56
	iii. Cash and bank balances	4 (C)	25.38	29.56
	iv. Loans	4 (D)	563.93	455.94
	v. Other financial assets	4 (E)	328.90	395.75
	(c) Other current assets	7	11.84	67.47
	(d) Asset classified as held for sale		-	33.50
	Total current assets		**947.56**	**1,017.41**
	TOTAL ASSETS		**1,046.52**	**1,169.93**
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity share capital	8 (A)	206.98	206.98
	Other Equity			
	Reserves and surplus	8 (B)	(2,949.06)	(5,120.77)
	Non-controlling Interests	8 (B)	118.46	267.88
	Total equity		**(2,623.62)**	**(4,645.91)**
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	Borrowings	9 (A)	398.19	1,678.07
	Total non-current liabilities		**398.19**	**1,678.07**
3	**Current liabilities**			
	Financial liabilities			
	i. Short Term Borrowings	9 (A)	2,305.74	2,234.30
	ii. Trade payables			
	- Total outstanding dues to micro and small enterprises	9 (B)	0.16	9.02
	- Total outstanding dues to creditors other than micro and small enterprises	9 (B)	44.45	85.18
	iii.Other financial liabilities	9 (C)	895.32	1,767.40
	Employee benefit obligations	10	2.65	3.03
	Current tax liabilities	11 (A)	19.79	30.23
	Other current liabilities	11 (B)	3.86	8.61
	Total current liabilities		**3,271.96**	**4,137.77**
	Total liabilities		**3,670.14**	**5,815.84**
	TOTAL EQUITY AND LIABILITIES		**1,046.52**	**1,169.93**

See accompanying notes forming part of the Consolidated 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

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Diwakar Sapre
Partner
Membership No. 040740
Place: Mumbai
Date: 29 May 2023

Vipin Jain
Chief Financial Officer

Place: Mumbai
Date: 29 May 2023

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Consolidated Statement of Profit and Loss for the year ended 31 March, 2023

(₹ in crore)

Particulars	Note no.	Year ended 31 March, 2023	Year ended 31 March, 2022
Income:			
Revenue from operations	12	60.67	328.34
Other income	13	103.93	224.84
Total income		**164.59**	**553.18**
Expenses:			
Operating expenses	14	3.93	204.46
Employee benefits expense	15	4.03	39.97
Finance costs	16	131.57	356.47
Depreciation	2 (A)	41.14	105.92
Other expenses	17	20.49	20.93
Total expenses		**201.17**	**727.75**
Profit / (loss) before exceptional items and tax		**(36.58)**	**(174.57)**
Exceptional items	18		
Income		1,694.42	387.22
Expenses		(34.09)	(293.42)
Profit / (loss) after exceptional items and before tax		**1,623.75**	**(80.77)**
Current tax	20	26.46	(0.26)
Profit / (loss) for the year before share in loss of associates		**1,650.21**	**(81.03)**
Share in profit / (loss) of associate		0.24	3.00
Profit / (loss) for the year after exceptional items		**1,650.45**	**(78.03)**
Attributable to:			
Shareholders of the parent		1,650.21	(78.49)
Non controlling interests		0.24	0.46
Profit / (loss) for the year after exceptional items		**1,650.45**	**(78.03)**
Items that will not be reclassified subsequently to profit and loss account			
Actuarial gain / (loss) on remeasurement of the Defined Benefit Plans		0.17	0.23
Total other comprehensive gain / (loss) for the year		**0.17**	**0.23**
Total comprehensive profit / (loss) for the year		**1,650.62**	**(77.80)**
Attributable to:			
Shareholders of the parent		**1,650.38**	**(78.26)**
Non controlling interests		**0.24**	**0.46**
Earnings per share before exceptional items (EPS)			
Basic (in ₹)	25	(0.48)	(8.30)
Diluted (in ₹)	25	(0.48)	(8.30)
Earnings per share after exceptional items (EPS)			
Basic (in ₹)	25	79.74	(3.77)
Diluted (in ₹)	25	79.74	(3.77)

See accompanying notes forming part of the Consolidated 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

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Diwakar Sapre
Partner
Membership No. 040740
Place: Mumbai
Date: 29 May 2023

Vipin Jain
Chief Financial Officer

Place: Mumbai
Date: 29 May 2023

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Consolidated Statement of Cash Flows for the year ended 31 March, 2023

(₹ in crore)

	Particulars	Year ended 31 March, 2023 Audited	Year ended 31 March, 2022 Audited
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before tax	1,623.75	(80.77)
	Adjustments for :		
	Exceptional Items		
	- Provision / Impairment for doubtful receivables / advances**	34.09	30.76
	- Impairment of fixed assets / capital work-in-progress**	-	262.66
	- Gain on One Time Settlement with bank*	(1,694.42)	(351.45)
	- Reversal of Provision for impairment as per Ind AS 36 in the fair value of the associate based on management assessment & valuation report.	-	(35.77)
	Gain on sale/Fair Vale of current investment measured at FVTPL	-	(0.33)
	Depreciation	41.14	105.92
	Finance costs	131.57	356.47
	Interest income	(58.40)	(39.61)
	Unrealised foreign exchange gain	(1.35)	(0.83)
	Operating profit before working capital changes	**76.39**	**247.05**
	Changes in working capital:		
	(Increase) / Decrease in inventories	6.34	11.36
	(Increase) / Decrease in trade receivables, loans and advances and other assets	447.86	71.12
	Increase / (Decrease) in trade payables, other liabilities and short term provisions	(58.57)	(203.37)
	Cash generated from operations	**472.02**	**126.16**
	Income taxes refunded / (paid), net	41.60	14.14
	Net cash generated from operating activities	**513.61**	**140.30**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from sale of property, plant and equipment	46.52	411.08
	(Purchase) / Sale of Current Investments (Net)	(0.10)	4.95
	Proceeds/(Investment) in Bank deposits	7.30	57.80
	Interest received	36.58	19.13
	Net cash (used in) / generated from investing activities	**90.31**	**492.95**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of long-term loans	(968.92)	(623.77)
	Finance costs paid	-	(2.98)
	Net cash used in financing activities	**(968.92)**	**(626.75)**
	INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(364.99)**	**6.49**
	Foreign currency translation reserve	372.25	(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	**25.38**	**18.13**

Note:

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

	Particulars	As at 31 March, 2023	As at 31 March, 2022
	Cash and cash equivalents as per cash flow statement	25.38	18.13
	Add: margin money deposits not considered as cash and cash equivalents as per Ind AS-7	-	4.00
	Cash and bank balances (Restricted and Unrestricted)	**25.38**	**22.13**

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 Consolidated 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

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Diwakar Sapre
Partner

Membership No. 040740
Place: Mumbai
Date: 29 May 2023

Vipin Jain
Chief Financial Officer

Place: Mumbai
Date: 29 May 2023

Nisha Barnwal
Company Secretary
Membership No. ACS
66804

Consolidated Statement of Changes in Equity for the period ended 31 March, 2023

A. Equity Share Capital

(1) For the year ended March 31, 2023

(₹ in crore)

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 1, 2022	Changes in equity share capital during the year 2022-23	Balance as at March 31,2023
206.98	-	206.98	-	206.98

(2) For the year ended March 31, 2022

(₹ in crore)

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 1, 2021	Changes in equity share capital during the year 2021-22	Balance as at March 31,2022
206.98	-	206.98	-	206.98

B. Other Equity

(1) For the year ended March 31, 2023

(₹ 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	Foreign currency translation reserve	Other comprehensive income	Non-controlling Interests	Total
Balance as on 1 April, 2022	**62.57**	**(10,259.55)**	**101.17**	**0.61**	**-**	**-**	**4,900.22**	**68.93**	**5.29**	**267.88**	**(4,852.89)**
Additions during the year	(1.62)									(149.42)	**(151.04)**
Share of profit of associate											**-**
Profit / (loss) of non-controlling interest											**-**
Profit / (loss) for the year		4,238.72						(2,066.10)	0.71		**2,173.33**
Total Comprehensive Income for the current year	**(1.62)**	**4,238.72**	**-**	**-**	**-**	**-**	**-**	**(2,066.10)**	**0.71**	**(149.42)**	**2,022.29**
Transferred to General Reserve	-	-	(101.17)	-	-	-	101.17	-	-	-	**(0.00)**
Balance as on 31 March, 2023	**60.95**	**(6,020.82)**	**-**	**0.61**	**-**	**-**	**5,001.38**	**(1,997.17)**	**6.00**	**118.46**	**(2,830.60)**

(2) For the year ended March 31, 2022 (₹ in crore)

	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 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)**
Additions during the year	**1.75**							(65.05)		3.92	**(59.38)**
Share of profit od associate											**-**
Profit / (loss) of non-controlling interest										-	**-**
Profit / (loss) for the year		(37.59)							0.25		**(37.34)**
Total Comprehensive Income for the current year	**1.75**	**(37.59)**	**-**	**-**	**-**	**-**	**-**	**(65.05)**	**0.25**	**3.92**	**(96.72)**
Transferred to General Reserve					(33.00)	(68.00)	101.00	-			
Balance as on 31 March, 2022	**62.57**	**(10,259.55)**	**101.17**	**0.61**	**-**	**-**	**4,900.22**	**68.93**	**5.29**	**267.88**	**(4,852.88)**

See accompanying notes forming part of the Consolidated 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

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Diwakar Sapre
Partner

Membership No. 040740
Place: Mumbai
Date: 29 May 2023

Vipin Jain
Chief Financial Officer

Place: Mumbai
Date: 29 May 2023

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

Notes forming part of the consolidated financial statements for the year ended 31 March, 2023

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 29 May, 2023.

<u>Historical cost convention</u>

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and
- 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 27 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, 2023. 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, 2023	31 March, 2022
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)* (Note i)	Subsidiary	India	OGDSHL	0%	100%
Energy II Limited ("EIIL")	Subsidiary	Bermuda	ESL	73%	73%
Essar Shipping DMCC ("ES DMCC")	Subsidiary	United Arab Emirates	ESL	100%	100%
Starbit Oilfield Services India Limited ("SOSIL") (Note ii)	Subsidiary	India	OGD	100%	100%
Arkay Logistics Limited ("ALL") (Note ii)	Associate	India	ESL	49%	49%
OGD-EHES JV Private Limited (Note ii)	Joint venture	India	OGD	26%	26%

Notes:

i. OGD Services Limited got admitted under Corporate Insolvency Resolution Process (CIRP) and hence same has not been considered for Consolidation purpose as on 31-03-2023.

ii. The financial statements of Arkay Logistics Limited, Starbit Oilfield Services India Limited and OGD-EHES JV Private Limited are considered for the purpose of preparation of Consolidated Financial Statements are based on the unaudited financials certified by the respective managements.

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 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.

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".

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 01.04.2021	0.13	2.25	1,311.70	2,717.76	0.37	5.47	1.38	4,039.05	77.95
Additions	-	-	(7.80)	9.46	-	-	-	1.66	(5.61)
Exchange differences	-	-	-	163.38	0.02	-	0.02	163.42	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer to assset held for sale	-	-	-	(34.70)	-	-	-	(34.70)	-
Disposals	-	(0.05)	(1,207.23)	(65.19)	-	(0.09)	-	(1,272.56)	(12.00)
As at 31.03.2022	**0.13**	**2.20**	**96.67**	**2,790.71**	**0.39**	**5.38**	**1.40**	**2,896.87**	**60.34**
Additions	-	-	3.75	-	-	-	0.02	3.77	-
Exchange differences	-	-	-	309.33	0.02	-	0.02	309.37	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer to assset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31.03.2023	**0.13**	**2.20**	**100.42**	**3,100.04**	**0.41**	**5.38**	**1.44**	**3,210.01**	**60.34**
Accumulated Depreciation									
As at 01.04.2021	**-**	**2.25**	**654.83**	**2,491.73**	**0.27**	**5.37**	**0.93**	**3,155.40**	61.54
Additions	-	0.02	79.97	60.60	0.01	0.01	0.09	140.70	-
Exchange differences	-	(0.02)	(30.47)	188.99	0.05	-	0.01	158.56	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer to assset held for sale	-	-	-	-	-	-	-	-	(1.20)
Disposals	-	(0.05)	(607.66)	(61.93)	-	(0.04)	-	(669.68)	-
As at 31.03.2022	**-**	**2.20**	**96.67**	**2,679.39**	**0.33**	**5.34**	**1.03**	**2,784.98**	**60.34**
Additions	-	-	0.21	40.92	-	-	0.01	41.14	-
Exchange differences	-	-	-	326.39	0.05	-	(0.29)	326.14	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer to assset held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31.03.2023	**-**	**2.20**	**96.89**	**3,046.70**	**0.38**	**5.34**	**0.74**	**3,152.26**	**60.34**
Net Block									
As at 31.03.2022	**0.13**	**-**	**-**	**111.32**	**0.06**	**0.04**	**0.37**	**111.89**	**-**
As at 31.03.2023	**0.13**	**-**	**3.53**	**53.33**	**0.03**	**0.04**	**0.70**	**57.75**	**-**

(I) Water treatment plant

Gross block of plant and equipment includes a water treatment plant of ₹ 38.84 crores (previous year: ₹ 38.84 crores) given on lease. The net book value is ₹ Nil (previous year: ₹ Nil).

(II) Assets given as security for borrowings

1. Land owned by the Company have been given to lenders as security for various borrowing facilities.
2. Plant & Machinery include semi-submersible rig, which is secured against the syndicated Term Loan availed by the Subsidiary Company and also carries second preferred mortgage against the loan availed by Holding Company.

(III) 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.

3 **Non-current investments**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ 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	38.65
Less: Provision for impairment	-	-
Total (a)	**35.77**	**38.65**
Investments in equity shares of Joint Venture (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
2,600 (PY: 2,600) Ordinary shares of Rs. 10 each of OGD-EHES JV Private Limited (CY: ₹ 26,000, PY: ₹ 26,000	0.24	0.12
Total (b)	**0.24**	**0.13**
Total (a+b)	**36.01**	**38.77**
Aggregate amount of unquoted non - current investments	36.01	38.77
Less: Aggregate amount of provision for impairment other than temporary in value of investments	-	-
Total non-current investments	**36.01**	**38.77**

Information about the associates and Joint Venture

	Proportion of equity interest	
Name of the Company	**As at 31 March, 2023**	**As at 31 March, 2022**
	%	%
Arkay Logistics Limited (Associate)	49.00%	49.00%
OGD-EHES JV Private Limited (Joint Venture)	26.00%	26.00%

The carrying value of the Group's investment is derived as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Opening balance	38.77	35.77
Share of Profit / (loss) for the year	(2.76)	3.00
Provision for impairment	-	-
Closing balance	**36.01**	**38.77**

4 (A) **Current investments**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Investment in mutual funds (quoted)		
SBI Liquid Fund Direct Growth	1.71	1.61
4,839.217 (Previous Year 4,839.217) Units of SBI Liquid Fund Direct Growth of Face Value ₹1,000		
Total	**1.71**	**1.61**

4 (B) Trade and other receivables

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	13.14	24.56
Trade receivables which have significant increase in credit risk	0.75	7.51
Trade receivables - credit impaired	-	-
Less : Loss allowance	(0.75)	(7.51)
Total trade and other receivables	**13.14**	**24.56**

Movement in allowances for doubtful debts

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Opening balance	7.51	6.95
Allowances created/(reversed) during the year	(6.76)	0.56
Closing balance	**0.75**	**7.51**

Particulars	**Outstanding as on 31-03-2023 for following periods from due date of payment**					**Total**
	< 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	
(i) Undisputed Trade receivables – considered good	-	13.14	-	-	-	13.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.25	0.50	-	-	-	0.75
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
less: Loss allowance	-	-	-	-	-	(0.75)
Total	**0.25**	**13.64**	**-**	**-**	**-**	**13.14**

Particulars	**Outstanding as on 31-03-2021 for following periods from due date of payment#**					**Total**
	< 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	
(i) Undisputed Trade receivables – considered good	23.71	0.17	0.54	-	(0.62)	**23.81**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables– considered good	-	0.07	0.68	-	-	**0.75**
(v) Disputed Trade Receivables – which have significant increase in credit risk	7.51	-	-	-	-	**7.51**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
less: Loss allowance	-	-	-	-	-	(7.51)
Total	**31.22**	**0.24**	**1.22**	**-**	**(0.62)**	**24.56**

4 (C) Cash and bank balances

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Balances with banks in current accounts	25.38	18.13
Term Deposit	-	7.43
Total Cash and bank balances	**25.38**	**25.56**

4 (D) Loans (Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Unsecured, considered good		
Loan to related parties*	563.93	455.94
Total loans (Current)	**563.93**	**455.94**

* Loan given to related party for Interest rate of 4% - 5.2% for General Corporate purpose.

4 (E) Other financial assets (current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Interest accrued	2.18	2.38
Arbitration award receivable (See note below)	310.04	310.04
Receivables from related parties*	9.36	82.80
Security deposits	0.50	0.53
Other advances	6.82	-
Total other financial assets (current)	**328.90**	**395.75**

Recognition of revenue amounting to ₹ 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 out of which ₹ 305.81 crore remains outstanding receivable as on 31st March 2023. The Company is confident of full recovery of its claims. However, pending conclusion of the said proceedings, no interest is accrued on the same for the period 1st April 2018 till 31st March 2023. The balance of ₹ 4.23 crores denotes excess amount paid to the bank at the time of settlement last financial year, which is receivable as per the Company.

* Receivables from related parties are given for Interest rate range between 4% - 5.2% for General Corporate purpose.

Other financial assets (non-current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Bank deposits held as margin money, pledged against certain bank borrowings	4.16	4.00
Total other financial assets (non-current)	**4.16**	**4.00**

5 **Other non-current assets**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Income taxes	1.04	1.84
Total other non-current assets	**1.04**	**1.84**

6 **Inventories**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
At lower of cost and net realisable value		
Stores and spares	2.68	9.02
Total Inventories	**2.68**	**9.02**

7 **Other Current assets**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Income taxes	2.36	27.14
Prepayments	-	0.01
Balances with revenue authorities	8.21	23.12
Other advances	0.56	16.14
Security deposits	0.71	1.06
Total other current assets	**11.84**	**67.47**

Note: All above other current assets considered good and recoverable in future.

8 **Equity Share capital and other equity**

8 (A) **Equity Share Capital**

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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
Preference shares of ₹10/- each	15,00,00,000	150.00	15,00,00,000	150.00
	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, 2023		As at 31 March, 2022	
	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.

Details of shareholders holding more than 5% shares in the Company:

a) Shares held by holding company/ ultimate holding company, their subsidiaries and associates

Essar Shipping Mauritius Holdings Limited, the immediate holding company	124,362,408	124.36	60.09%	124,362,408	124.36	60.09%
Essar Investment Holdings Mauritius Limited, Mauritius (FKA as 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%**
b) Others						
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%**

S. No	Shares held by Promoters at end of the year			% change during the year ***		
	Promoter Name	No of shares **	% of total shares	No of shares **	% of total shares	% Changes
1	Essar Shipping Mauritius Holdings Limited, Mauritius	124,362,408	60.09%	124,362,408	60.09%	0.00%
2	IDH International Drilling Holdco Limited, Cyprus	21,406,365	10.34%	21,406,365	10.34%	0.00%
3	Essar Investment Holdings Mauritius Limited, Mauritius (FKA as Essar Ports & Shipping Limited, Mauritius, the holding company)	33	0.00%	33	0.00%	0.00%
4	Imperial Consultants and Securities Limited, India	6,878,409	3.32%	6,878,409	3.32%	0.00%

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.25 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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Debenture redemption reserve	-	101.17
Share options outstanding account	0.61	0.61
Securities Premium	60.95	61.14
General reserve	5,001.38	4,900.22
Foreign currency translation reserve	(1,997.17)	(1,768.14)
Retained earnings	(6,020.82)	(8,421.06)
Other Comprehensive Income	6.00	5.29
Total Reserves and surplus	**(2,949.06)**	**(5,120.77)**

9 (A) Borrowings

Long - term borrowings				
	Non - current		Current	
Particulars	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Secured				
(a) Debentures				
11.35%, Nil (previour year 7,000) non convertible debentures of ₹10,00,000 each, secured by first charge on six land rigs of a subsidiary (refer note a), two tugs of a Group Company, 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)]	-	-	-	607.76
12.30%, Nil (previous year 100) non convertible debentures of ₹10,00,000 each, secured by mortgage of immovable property, repayable in single bullet payment. [refer foot note (b)]	-	-	-	10.00

(b) Term loans				
(i) from banks				
Rupee term loan [refer foot note (c)]	-	-	-	177.91
(secured by first charge Corporate Guarantee of Subsidiary Company and 51% shares of Subsidiary Company and Movable & Immovable assets of the Subsidiary Company) Interest rate of 21% (Previous year: Interest rate 21%)				
Foreign currency term loans for refurbishment of Offshore semi submersible rig	-	-	757.95	698.86
(secured by first charge on a semi submersible rig and corporate guarantee by the Company and IDH International Holdco Limited). Interest rate of 4.5% (Previous year: Interest rate of 4.5%) [refer foot note (f)]				
Rupee term loan for General Corporate purpose	-	-	-	5.61
(secured by first charge on a very large crude carrier and its receivable). Interest rate of 3 months LIBOR +4% (Previous year: Interest rate of 3 months LIBOR +4%)				
Rupee term loan for acquisition and refurbishment of Land rigs	-	-	-	41.09
(secured by first charge on two land rigs 2nd pari passu charge on hypothecation of three Schram rigs and receivable thereon and corporate guarantee by the Company). Interest rate of 12.75% (Previous year: Interest rate of 12.75%)				
Rupee term loan for Constrution of the Jack-up rigs	-	-	-	614.84
(secured by charge on Jack up rigs and receivable thereon and corporate guarantee by the Company). Interest rate range between 12.75% - 18.30% (Previous year: Interest rate range between 12.75% - 18.30%))				
Foreign currency term loan	-	13.08	-	-
(secured by standby letter of credit issued by the Holding Company)				
(ii) from financial institutions				
Rupee term loan	-	-		
(secured by corporate guarantee by a subsidiary)				
Rupee term loan for acquisition and refurbishment of Land rigs	-	-	-	17.25
(secured by first pari passu charge by way of hypothecation of three mobile rigs and receivable thereon and corporate guarantee by the Company). Interest rate of 13% (Previous year: Interest rate of 13%)				

(ii) from others				
Rupee term loan	392.18	127.36	0.07	50.28
(Secured by first charge on one mini bulk carrier and four tugs of an associate company, three mini bulk carriers of an unrelated entity and corporate guarantee of the ultimate parent company) (Subservient charge on movable fixed assets and current assets of the Company by way of Hypothecation, Demand Promissory notes) (Secured by first charge on Arbitration Award receivable by the Company)[refer foot note (d)]				
Total secured loans [A]	**392.18**	**140.44**	**758.02**	**2,223.60**
Unsecured				
(a) Foreign currency convertible bonds (FCCBs) [refer note (e) below]		1,537.62	1,537.62	-
(b) Others (current portion overdue) Interest rate of 16.5% (Previous year: Interest rate range between 14.00% to 16.5%)	6.00	-	10.10	10.70
Total unsecured loans [B]	**6.00**	**1,537.62**	**1,547.72**	**10.70**
Total [A+B]	**398.19**	**1,678.06**	**2,305.74**	**2,234.30**
Less: Unamortised upfront fees	-	-	-	-
Less: Amount disclosed under the head other financial liabilities (refer note 9 (C))	-	-	(2,305.74)	(2,234.30)
Long - term borrowings	**398.19**	**1,678.06**	**-**	**-**

Nature of borrowing, including debt securities	Name of lender	Principal amount (in crs) not paid on due date	Interest amount (in crs) not paid on due date	Whether principal or interest	No. of days delay or unpaid
12.30% 100 (previous year 205) non convertible debentures of ₹10,00,000 each	Rajashtan Rajya Vidhyut Karamchari Super Annuation Fund Trust	-	3.39	Interest	699
Rupee Term Loan	IL & FS	0.07	8.87	Principal and Interest	1,422
Foreign currency term loans for refurbishment of Offshore semi submersible rig	Indian Overseas Bank, Hongkong	374.04	44.93	Principal and Interest	1034
Foreign currency term loans for refurbishment of Offshore semi submersible rig	Punjab National Bank, London	49.79	5.99	Principal and Interest	1034
Foreign currency term loans for refurbishment of Offshore semi submersible rig	Punjab National Bank, UAE	72.52	8.69	Principal and Interest	1034
Foreign currency term loans for refurbishment of Offshore semi submersible rig	Axis Bank Limited, UAE	201.19	24.92	Principal and Interest	1034
Foreign currency term loans for refurbishment of Offshore semi submersible rig	Axis Bank Limited, UAE	60.41	6.70	Principal and Interest	1034

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 were redeemable at the expiry of 10 years with put and call option exercisable after five years from their respective dates of issue. In an earlier year, the Company had received notice from the debenture holder invoking the put option. During the preceding year, the Company had paid an amount of ₹ 10 crores and the debenture holder had withdrawn ₹ 82.24 crores from the deposit placed with the Bombay High Court after taking approval from the Bombay High Court. During the year, the Company has entered into One Time Settlement (OTS) with the debenture holder and has settled the total dues on payment of ₹ 336.50 crores. Accordingly, on receipt of No Dues certificate, an amount of ₹ 1318.21 crores, comprising of principal amount of ₹ 271.26 crores and accrued interest of ₹ 1046.95 crores, being the gain on OTS, has been shown as Exceptional Income (Refer Note 18). The Company has filed the satisfaction of the charges in this regard.

b) Secured debentures: 100 debentures issued on 22nd June 2012 were redeemable at the expiry of five years from the date of issue. In an earlier year, the lender had sent the loan recall notice due to delay in debt servicing. During the year, the Company has repaid the principal amount due and has applied for waiver of the interest for amount outstanding.

c) Rupee Term Loans from Banks: The Company has settled the loan with the lender bank by monetising the security offered under the facility. As the Company has completed the agreed milestones as per One Time Settlement (OTS), although the Company has not received the no due certificate, the Company has accounted ₹ 340.80 crores, comprising of principal of ₹ 177.91 crores and interest of ₹ 162.89 crores, being the gain on OTS and the same has been shown as Exceptional Income (Refer Note 18). The Lender has given Bank Guarantee, against which the Company has withdrawn amount from the High Court of Delhi against deposit done towards arbitration award. The Lender has informed vide their letter dated 2nd January 2023 that they have assigned/sold loan exposure aggregating to an Asset Construction Company. The Company is in the process of fliing the satisfaction of the charges in this regard.

d) Rupee Term Loans from Others: During the year, the Company has accounted ₹ 35.40 crores, comprising of principal of ₹ 25 crores and interest of ₹ 10.4 crores, being the Exceptional Income (Refer Note 18) as the lender has gone into liquitation and no claim received till date. Further, the Company expect that no claim will come in future. The Company is in the process of fliing the satisfaction of the charges in this regard and charge is still name of the Original Lender.

e) Foreign currency convertible bonds: i) FCCBs of US$ 128,571,429 (Series A) due on 24 August, 2015 and US$ 111,428,571 (Series B) due on 24 August, 2017 - repayment extended by Bond Holder till 24 August, 2023 (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. The FCCB liability has been freezed vide letter dated August 31, 2017 at Rs. 1537.62 crores.

f) The syndicated term loans of the Company from banks are secured by charge on Essar Wildcat Rig and corporate guarantees from IDH International Drilling Holdco Limited .

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.

h) Interest rates: Loans availed from banks, financial institutions, NBFC's and Alternate Investment Funds carry a weighted average interest rate of 11.11% per annum (previous year: 14.98% per annum)

i) Scheduled repayments: Refer Liquidity Risk table at Note 20(ix).

9 (b) Trade payables

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Trade payables:		
- Total outstanding dues to micro and small enterprises (refer note below)	0.16	9.02
- Total outstanding dues to creditors other than micro and small enterprises	44.45	85.18
Total trade payable	**44.61**	**94.20**

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, 2023 ₹ in crore**	**As at 31 March, 2022 ₹ in crore**
Principal amount due and remaining unpaid	0.16	9.02
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	-	-

Particulars	**Outstanding as on 31-03-2023 for following periods from due date of payment**					**Total**
	< 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	
(i) MSME	0.00	-	-	-	-	0.00
(ii) Others	25.46	(1.28)	-	-	20.42	44.61
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Particulars	**Outstanding as on 31-03-2022 for following periods from due date of payment**					**Total**
	< 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	
(i) MSME	9.02	-	-	-	-	9.02
(ii) Others	5.53	19.51	8.08	4.05	48.01	85.18
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

9 (C) Other financial liabilities

Particulars	**As at 31 March, 2023 ₹ in crore**	**As at 31 March, 2022 ₹ in crore**
Interest accrued	119.42	1,442.74
Advance from customers	-	5.04
Due to related parties	775.89	319.62
Total other financial liabilities (non-current)	**895.32**	**1,767.40**

10 Employee benefit obligations

Particulars	**As at 31 March, 2023 ₹ in crore**	**As at 31 March, 2022 ₹ in crore**
Defined benefit plans	2.46	0.19
Defined contribution schemes	0.19	2.84
Total Employee benefit obligations	**2.65**	**3.03**

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, 2023**	**Year ended 31 March, 2022**
a) Employer's contribution to gratuity fund (offshore crew staff)	-	0.30
b) Group accident policy premium (all employees)	-	-
c) Employer's contribution to pension fund (offshore crew staff)	0.00	0.12
d) Employer's contribution to pension fund (office staff)	-	0.15
e) Employer's contribution to provident fund (offshore crew staff)	-	0.52
Total	**0.00**	**1.09**

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) 31.03.23**	**Gratuity (non-funded) 31.03.23**	**Provident fund (funded) 31.03.23**	**Gratuity (funded) 31.03.22**	**Gratuity (non-funded) 31.03.22**	**Provident fund (funded) 31.03.22**
Present value of defined benefit obligations as at the beginning of the year	0.57	2.47	42.00	1.90	2.47	42.00
Transfer in/(out) obligation	-	-	-	-	-	-
Current service cost	0.03	0.29	-	0.19	0.29	-
Current service contribution- employee	-	-	-	-	-	-
Interest cost	0.02	0.15	-	0.10	0.15	-
Other adjustments	-	-	-	-	-	-
Benefits paid	(0.38)	-	(10.85)	(0.98)	-	-
Actuarial (gain)/loss on obligations	(0.17)	(0.07)	-	(0.21)	(0.07)	-
Present value of defined benefit obligations as at the end of the year	**0.08**	**2.84**	**31.15**	**1.00**	**2.84**	**42.00**

(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) 31.03.23**	**Provident fund (funded) 31.03.23**	**Gratuity (funded) 31.03.22**	**Provident fund (funded) 31.03.22**
Fair value of plan assets at the beginning of the year	**0.81**	**42.82**	**1.87**	**42.82**
Transfer in/(out) plan assets	-	-	-	-
Return on plan assets	(0.00)	-	0.04	-

Interest income on plan assets	0.04	-	0.07	-
Contributions by the employer/ employees	-	(11.67)	0.08	-
Benefits paid	(0.38)	-	(0.98)	-
Other adjustments	-	-	(0.05)	-
Fair value of plan assets as at the end of the year	**0.46**	**31.15**	**1.03**	**42.82**

(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) 31.03.23**	**Gratuity (non-funded) 31.03.23**	**Provident fund (funded) 31.03.23**	**Gratuity (funded) 31.03.22**	**Gratuity (non-funded) 31.03.22**	**Provident fund (funded) 31.03.22**
Present value of defined benefit obligations as at the end of the year	**0.08**	**2.84**	**31.15**	**0.99**	**2.84**	**42.00**
Fair value of plan assets as at end of the year	0.46	-	31.15	1.76	-	42.82
Liability recognised in the Balance Sheet (included in provisions) (note 10)	**(0.39)**	**2.84**	**-**	**(0.77)**	**2.84**	**(0.82)**

(D) Expenses recognised in the Statement of Profit and Loss:

Particulars **Current service cost** **Interest cost**	**Gratuity (funded) 31.03.23**	**Gratuity (non-funded) 31.03.23**	**Provident fund (funded) 31.03.23**	**Gratuity (funded) 31.03.22**	**Gratuity (non-funded) 31.03.22**	**Provident fund (funded) 31.03.22**
Current service cost	0.03	-	-	0.19	0.29	-
Past service cost- plan amendments	-	-	-	-	-	-
Net interest on net defined benefit liability/ (asset)	(0.01)	0.15	-	0.00	0.15	-
Total expenses recognised in the Statement of Profit and Loss (Included in Contribution to provident and other funds (note no. 15)	**0.02**	**0.15**	**-**	**0.19**	**0.44**	**-**

(E) Amount recongnised in other comprehensive income

Particulars	**31.03.23**	**31.03.22**
Experience adjustments	0.17	0.25
Total	**0.17**	**0.25**

(F) Category of plan assets:

Particulars	**Gratuity (funded) 31.03.23**	**Provident fund (funded) 31.03.23**	**Gratuity (funded) 31.03.22**	**Provident fund (funded) 31.03.22**
Administered by Life Insurance Corporation of India & SBI *	100%		100%	
Government of India securities (Central and State)		32%		32%
Public sector bonds/ TDRs		68%		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) 31.03.23	Gratuity (funded) 31.03.22
DBO On base assumptions	1.57	1.57
A. Discount Rate	7.40%	5.65%
1. Effect due to 0.5% increase in discount rate	(0.56)	(0.56)
2. Effect due to 0.5% decrease in discount rate	0.58	0.58
B. Salary Escalation Rate	5.00%	5.00%
1. Effect due to 0.5% increase in salary escalation rate	0.57	0.57
2. Effect due to 0.5% decrease in salary escalation rate	(0.56)	(0.56)
C. Withdrawal Rate	8.00%	8.00%
1. Effect due to 5% increase in withdrawal rate	(0.57)	(0.57)
2. Effect due to 5% decrease in withdrawal rate	0.56	0.56

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) 31.03.23	Gratuity (non-funded) 31.03.23	Provident fund (funded) 31.03.23	Gratuity (funded) 31.03.22	Gratuity (non-funded) 31.03.22	Provident fund (funded) 31.03.22
Discount rate (per annum)	6.8% to 7.8%	6.70%	6.60%	5.6% to 6.45%	6.50%	6.55%
Rate of return on plan assets (for funded scheme)	0.00%	0.00%	8.00%	0.00%	0.00%	8.00%
Withdrawal rate	8% to 10%	7.00%		8% to 10%	7.00%	-
Expected returns on EPFO	-		8.00%	-	-	8.00%
Rate of increase in compensation	5% to 7%	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 2022-23 amounts to ₹ 0.29 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, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Provision for taxation	19.79	30.23
Total Current tax liabilities	**19.79**	**30.23**

11 (b) Other current liabilities

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
	₹ in crore	**₹ in crore**
Statutory and other related dues	3.86	0.86
Payable in respect of capital goods	-	7.75
Total other current liabilities	**3.86**	**8.61**

12 Revenue from operations

Particulars	**Year ended 31 March, 2023**	**Year ended 31 March, 2022**
	₹ in crore	**₹ in crore**
Sale of services		
Fleet operating and chartering earnings	1.98	300.54
Rig operating and chartering earnings	58.69	24.91
Other operating income		
Scarp sales	-	0.18
Supervision / management fees	-	2.71
Total	**60.67**	**328.34**

13 Other income

Particulars	**Year ended 31 March, 2023**	**Year ended 31 March, 2022**
	₹ in crore	**₹ in crore**
Interest income		
- from banks	0.60	0.17
- from related parties on intercorporate deposits (refer note 26)	22.10	24.60
- from others	35.70	14.84
Net gain /(loss) on foreign currency translation and transactions	1.35	0.83
Profit on sale of vessel	-	99.35
Other non operating income	44.18	85.05
Total	**103.93**	**224.84**

14 Operating expenses

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	₹ in crore	₹ in crore
Consumption of stores and spares	0.78	7.39
Consumption of fuel, oil and water	0.01	29.34
Direct voyage expenses	-	151.83
Commission, brokerage and agency fees	0.06	0.96
Standing costs	2.95	8.21
Insurance, protection and indemnity club fees	0.13	6.75
Total	**3.93**	**204.46**

15 Employee benefits expense

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	₹ in crore	₹ in crore
Offshore staff		
Salaries, wages and bonus	-	20.26
Contribution to staff provident and other funds	0.00	1.29
Staff welfare expenses	-	2.62
Office staff		
Salaries, wages and bonus	3.59	13.40
Contribution to staff provident and other funds	0.17	0.88
Staff welfare expenses	0.27	1.52
Total	**4.03**	**39.97**

16 Finance costs

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	₹ in crore	₹ in crore
Interest expense		
- on bank loans	34.82	183.39
- on loans from financial Institutions	-	3.74
- on debentures	92.59	164.45
- on others	1.99	1.90
Loan commitment / processing charges, guarantee fees and other charges	2.16	3.00
Total	**131.57**	**356.47**

17 Other expenses

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	₹ in crore	₹ in crore
Rent	0.04	2.10
Rates and taxes	0.00	0.12
Repairs and maintenance		
- buildings	0.00	0.01
- others	0.09	0.86
Legal and professional fees	5.09	3.43
Travelling and conveyance	0.18	0.30
Auditor’s remuneration (refer note below)	0.35	0.48

Net loss on foreign currency translation and transaction (other than considered as finance cost)	1.05	1.74
Sundry balances written-off (Net)	1.31	1.21
Other establishment expenses	12.39	10.69
Total	**20.49**	**20.93**

Particulars	**Year ended 31 March, 2023**	**Year ended 31 March, 2022**
	₹ in crore	**₹ in crore**
As auditors	0.31	0.36
Reimbursement of expenses	0.00	0.00
For other services	0.04	0.12
Total	**0.35**	**0.48**

18 Exceptional Items

Particulars	**Year ended 31 March, 2023**	**Year ended 31 March, 2022**
	₹ in crore	**₹ in crore**
Income		
Gain on One Time Settlement with bank*	1,694.42	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
Total	**1,694.42**	**387.22**

Expenses

Provision / Impairment for doubtful receivables / advances**	34.09	30.76
Impairment of fixed assets / capital work-in-progress**	-	262.66
Total	**34.09**	**293.42**

*For Gain from One Time Settlement of Loan , please refer Foot Note (a) of Note 9 (A) - Borrowings.

** The Impairment of Company's receivable from Indian subsidiary company, 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 subsidiary company and consequent effect of the investment. Further the subsidiary Company has admitted to Corporate Insolvency Resolution Process (CIRP) and recovery of the money is not foreseeable and hence the impairment of ₹ 13.19 crores provided during the year. Management assessed the Expected Credit Losses (ECL) as per prescribed by the requirements of IFRS 9 (in case of Foreign Subsidiary Company) against the dues from related parties and decided to provided ECL provision from related parties of ₹ 20.90 crores during the year.

19 Income taxes

Income tax expense recognised in the profit and loss account comprises of:

Particulars	**Year ended 31 March, 2023**	**Year ended 31 March, 2022**
	₹ in crore	**₹ in crore**
Current income taxes	-	0.26
Income tax expense for the year	**-**	**0.26**

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, 2023 and 31 March, 2022 are as follows:

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	₹ in crore	₹ in crore
Profit / (Loss) before taxes	1,623.75	(249.71)
Effective tax rate in India: 25.168%*	-	-
Tax effect of adjustment for profits subject to tonnage tax regime / presumptive taxation	-	0.26
Income tax expense recognised in the profit and loss account	**-**	**0.26**

***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. Effective tax rate calculated as per the Section 115BAA of the Income Tax Act,1961.

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Debt (including borrowings from related and unrelated parties and finance lease obligations)	2,703.92	3,912.37
Less: Cash and cash equivalent including short term deposits (restricted)	(25.38)	(29.56)
Less: Current Investments in Mutual Fund	(1.71)	(1.61)
Net debt (A)	**2,676.84**	**3,881.20**
Total equity (B)	**(2,623.62)**	**(4,645.91)**
Net debt to equity ratio (A/B)	**(1.02)**	**(0.84)**

(ii) Categories of financial instruments

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	₹ 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	25.38	25.38	29.56	29.56
Loans and other receivables	577.07	577.07	480.50	480.50
Other financial assets	328.90	328.90	395.75	395.75
At fair value through profit and loss				
Investments in Mutual Funds	1.71	1.71	1.61	1.61
Total	**933.05**	**933.05**	**907.42**	**907.42**

Financial liabilities:				
At amortised cost				
Borrowings (Including current maturities)	2,703.92	2,703.92	3,912.38	3,912.38
Trade and other payables	44.61	44.61	94.20	94.20
Other financial liabilities	895.32	895.32	(466.90)	(466.90)
Total	**3,643.85**	**3,643.85**	**3,539.67**	**3,539.69**

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
	Level 2	Level 2
Assets		
Investments in Mutual Fund	1.71	1.61

(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, 2023		As at 31 March, 2022	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollars (US$)	806.09	348.44	14.54	35.51
Currencies other than INR & US$	-	-	0.43	6.26
Total	**806.09**	**348.44**	**14.97**	**41.77**

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
US$ impact	**22.88**	**(1.34)**

(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, 2023 would increase/decrease by ₹ 5.74 crore (previous year ₹ 11.74 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, 2023. 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, 2023 on account of carrying amount of advances / deposit, trade and other receivables and guarantees are disclosed in note 26 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, 2023**			
	Within one year	**One to five years**	**more than five years**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
Financial instruments:				
Borrowings	2,305.74	398.19	-	2,703.92
Trade and other payables	44.61	-	-	44.61
Other financial liabilities	895.32	-	-	895.32
Total financial liabilities	**3,245.66**	**398.19**	**-**	**3,643.85**

Particulars	**As at 31 March, 2022**			
	Within one year	**One to five years**	**more than five years**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**
Financial instruments:				
Borrowings	2,234.30	1,678.07	-	3,912.37
Trade and other payables	94.20	-	-	94.20
Other financial liabilities	1,767.40	-	-	1,767.40
Total financial liabilities	**4,095.90**	**1,678.07**	**-**	**5,773.97**

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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Income tax demand- appeal filed by the company with Commissioner of Income tax -Appeals*	-	156.20
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	39.09	39.09
Bank Guarantee issued by the Bank	67.20	-
Demand Loan of Bank due to SBLC invocation	338.32	-

b)

Nature of the Company for which Guarantees given by the Company	Purpose for which the Guarantee is proposed to be utilised by the recipient	As at 31 March, 2023	As at 31 March, 2022
		₹ in crore	₹ in crore
i) Claims not acknowledge as debt			
Claims against the Group not acknowledged as debt	Claims not acknowledge 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, 2023	As at 31 March, 2022
	₹ in crore	₹ in crore
Segment Revenue		
Operating Income		
Fleet operating and chartering	3.33	302.70
Rig operating and chartering	58.69	27.81
Total	**62.02**	**330.51**
Less: Inter segment revenue	(1.35)	(2.16)
Total Income from operations	**60.67**	**328.35**
Other income unallocated	103.93	224.84

Total Income	**164.59**	**553.18**
Segment Results		
Fleet operating and chartering	78.78	241.66
Rig operating and chartering	16.22	(59.84)
Total	**95.00**	**181.82**
Less: Unallocated interest and finance costs	(131.57)	(356.47)
Profit / (Loss) before tax	**(36.57)**	**(174.65)**
Exceptional items	1,660.33	93.80
Profit / (Loss) for the period / year after exceptional items	**1,623.76**	**(80.85)**
Less: Tax expense	26.46	(0.26)
Profit / (Loss) for the period / year before share of profit of associate	**1,650.23**	**(81.11)**
Share of profit / (loss) of associate	0.24	3.00
Profit / (Loss) for the period / year after share of profit / (loss) of associate	**1,650.47**	**(78.11)**
Capital employed (segment assets-segment liabilities)		
Fleet operating and chartering	**(2,044.35)**	**(765.20)**
- Assets	75.01	81.63
- Liabilities	(2,119.36)	(846.83)
Oilfields services	**(1,060.75)**	**(1,922.43)**
- Assets	78.68	236.61
- Liabilities	(1,139.44)	(2,159.04)
Unallocated	**879.66**	**(280.21)**
- Assets	892.82	851.69
- Liabilities	(13.17)	(1,131.90)
Total	**(2,225.44)**	**(2,967.84)**

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, 2023**	**Year ended 31 March, 2022**
	₹ in crore	**₹ in crore**
India	1.98	255.91
Singapore	-	54.07
Cyprus	-	18.76
Indonesia	58.69	-
Denmark	-	(0.06)
Bangladesh	-	(0.33)
Total	**60.67**	**328.35**

d) **Information about major customers**

The main operating assets represent floating fleet & rig, 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, 2023	Year ended 31 March, 2022
	₹ in crore	₹ in crore
Loss for the year before exceptional items	(9.88)	(171.83)
Loss for the year after exceptional items	1,650.45	(78.03)
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)	(0.48)	(8.30)
Earnings per share - diluted before exceptional items (face value of ₹10/- each)	(0.48)	(8.30)
Earnings per share - basic after exceptional items (face value of ₹10/- each)	79.74	(3.77)
Earnings per share - diluted after exceptional items (face value of ₹10/- each)	79.74	(3.77)

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.

Since the period of ESOP scheme has been expired the Company has already passed a Board resolution to close the trust and the Company is in process of closing the same.

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 & Joint Ventures

i) Arkay Logistics Limited, India

c) Key management personnel

i) Mr. Ranjit Singh (President & CEO till 30.09.2022)

ii) Mr. Rajesh Desai (Wholetime Director)

iii) Mr. N. Srinivasan (Non- Executive Director till 08.09.2022)
iv) Capt. B. S. Kumar (Non- Executive Director till 08.09.2022)
v) Mr. Ketan Shah (Chief Financial Officer till 30.09.2022)
vi) Mr. Radhakrishna Murthy (Chief Financial Officer)
vii) Mr. Manoj Kumar (Wholetime Director & CEO)
viii) Mr. Vipin Jain (Chief Financial Officer from 01.10.2022)
ix) Ms. Nisha Barnwal (Company Secretary)
x) Mr. Jayakumar (Non- Executive Independent Director)
xi) Ms. Raichel Mathew (Non- Executive Woman Director)
xii) Mr. Dinesh Pande (Non-Executive Independent Director)
xiii) Ms. Raji Chandrashekhar (Independent Director)
xiv) Mr. R Suresh (Independent Director)
xv) Mr. Sunil Modak (Independent Director)
xvi) Mr. Habib Jan (Company Secretary)

d) Fellow subsidiaries / Other related parties :
i) Essar Bulk Terminal Limited
ii) Essar Capital Holdings Limited
iii) Essar Shipping (Cyprus) Limited
iv) Essar Oil & Gas Exploration & Production Limited
v) Essar Capital (Mauritius) Limited
vi) Essar Steel Metal Trading Limited
vii) AGC Networks Limited
viii) Essar Minmet Limited
ix) Essar Foundation
x) Futura Travels Limited
xi) Essar Projects Limited
xii) Edwell Infrastructure Hazira Limited
xiii) Bhagwat Power Salaya Limited
xiv) Essar Holdco Mauritius Limited
xv) Essar Energy Holdings Limited

e) Trusts:
(i) Essar Shipping Staff Provident Fund Trust
(ii) Essar Shipping Employee Stock Options Trust

f) Details of transactions with related parties during the year ₹ in crore

Nature of transactions	Holding Companies / Promoter group companies		Fellow subsidiaries/ Trust/ associates		Managerial remuneration / Sitting fees		Total	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from operations								
OGD-EHES JV Private Limited	-	-	-	2.68	-	-	-	2.68
Total	**-**	**-**	**-**	**2.68**	**-**	**-**	**-**	**2.68**
Interest income								
Essar Global Limited	-	0.04	-	-	-	-	-	0.04
Essar Capital Holdings Limited	-	-	12.53	11.12	-	-	12.53	11.12
Essar Projects Limited	-	-	0.01	0.45	-	-	0.01	0.45

Essar Energy Holdings Limited	-	-	0.18	-	-	-	0.18	-
OGD-EP-SARL	-	-	-	0.08	-	-	-	0.08
Total	**-**	**0.04**	**12.72**	**11.65**	**-**	**-**	**12.72**	**11.69**
Sale of Preference Shares								
Essar Steel Metal Trading Limited	-	-	-	0.06	-	-	-	0.06
Total	**-**	**-**	**-**	**0.06**	**-**	**-**	**-**	**0.06**
Managerial remuneration #								
Ranjit Singh	-	-	-	-	1.34	2.04	1.34	2.04
Rajeev Nayyar	-	-	-	-	-	-	-	-
Radhakrishna Murthy	-	-	-	-	-	0.33	-	0.33
Shaleen Sharma	-	-	-	-	-	0.54	-	0.54
Ketan Shah	-	-	-	-	0.80	1.51	0.80	1.51
Jyotsna Gupta	-	-	-	-	-	0.23	-	0.23
Subimal Mahato	-	-	-	-	-	0.34	-	0.34
Vipin Jain	-	-	-	-	0.52	-	0.52	-
Rajesh Desai	-	-	-	-	0.10	0.04	0.10	0.04
Nisha Barnwal	-	-	-	-	0.07	0.03	0.07	0.03
Sitting Fees paid to Non-Executive Directors	-	-	-	-	0.23	0.48	0.23	0.48
Total	**-**	**-**	**-**	**-**	**3.06**	**5.53**	**3.06**	**5.53**
Professional fees								
Raichel Mathew	-	-	0.08		-	-	0.08	-
Total	**-**	**-**	**0.08**		**-**	**-**	**0.08**	**-**
Agency Charges								
Essar Shipping (Cyprus) Limited	-	-	-	75.17	-	-	-	75.17
Essar Bulk Terminal Limited	-	-	0.00	3.35	-	-	0.00	3.35
Arkay Logistics Limited	-	-	-	2.79	-	-	-	2.79
Total	**-**	**-**	**0.00**	**81.30**	**-**	**-**	**0.00**	**81.30**

Rent								
Essar Oil & Gas Exploration & Production Limited	-	-	-	0.03	-	-	-	0.03
Total	-	-	**-**	**0.03**	-	-	**-**	**0.03**
Donation								
Essar Foundation	-	-	-	0.15	-	-	-	0.15
Total	-	-	**-**	**0.15**	-	-	**-**	**0.15**
Repair and maintenance								
AGC Networks Limited	-	-	-	0.24	-	-	-	0.24
Total	-	-	**-**	**0.24**	-	-	**-**	**0.24**

Ticket charges								
Futura Travels Limited	-	-	0.02	0.07	-	-	0.02	0.07
Total	-	-	**0.02**	**0.07**	-	-	**0.02**	**0.07**
Provison for Impairment								
Essar Capital Holdings Limited	-	-	10.60	9.63	-	-	10.60	9.63
Essar Projects (India) Limited	-	-	-	0.45	-	-	-	0.45
Arkay Logistics Limited	-	-	0.06	-	-	-	0.06	-
Total	-	-	**10.66**	**10.09**	**-**	**-**	**10.66**	**10.09**
Reversal of Impairment Provision								
Essar Capital Holdings Limited, Mauritius	-	-	19.85	-	-	-	19.85	-
Essar Minmet Limited	-	-	3.06	-	-	-	3.06	-
Total	-	-	**22.91**	**-**	**-**	**-**	**22.91**	**-**
Interest expenses								
Arkay Logistics Limited	-	-	-	0.39	-	-	-	0.39
Total	-	-	**-**	**0.39**	-	-	**-**	**0.39**
Contribution to staff provident fund								
Essar Shipping Staff Provident Fund Trust	-	-	0.25	1.07	-	-	0.25	1.07
Total	-	-	**0.25**	**1.07**	-	-	**0.25**	**1.07**
Loans and advances given								
OGD-EHES JV Private Limited	-	-	-	1.27	-	-	-	1.27
Essar Capital Holding Limited	-	-	-	12.46	-	-	-	12.46
Total	**-**	**-**	**-**	**13.72**	**-**	**-**	**-**	**13.72**
Loans and advances repaid								
Essar Steel Metal Trading Limited	-	-	60.15	-	-	-	60.15	-
Arkay Logistics Limited	-	-	19.26	-	-	-	19.26	-
Edwell Infrastructure Hazira Limited	-	-	15.78	-	-	-	15.78	-
Total	**-**	**-**	**95.19**	**-**	**-**	**-**	**95.19**	**-**
Loans and advances received								
Arkay Logistics Limited	**-**	-	25.26	-	**-**	-	25.26	-
Essar Steel Metal Trading Limited	**-**	-	41.49	2.13	**-**	-	41.49	2.13
Edwell Infrastructure Hazira Limited	**-**	-	323.72	-	**-**	-	323.72	-
Total	**-**	**-**	**390.47**	**2.13**	**-**	**-**	**390.47**	**2.13**

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.

g) 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, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Trade receivables								
Essar Shipping (Cyprus) Limited	-	-	-	9.81	-	-	-	9.81
Essar Oil & Gas Exploration & Production Limited	-	-	-	0.90	-	-	-	0.90
Total	**-**	**-**	**-**	**10.71**	**-**	**-**	**-**	**10.71**
Loans and advances (including interest accrued)								
Essar Global Fund Limited	32.86	3.11	29.69	-	-	-	62.54	3.11
IDH International Drilling Holdco Limited	116.06	98.39	-	-	-	-	116.06	98.39
Essar Capital Holdings Limited	-	-	573.84	521.48	-	-	573.84	521.48
Essar Projects Limited	-	-	0.52	25.05	-	-	0.52	25.05
Essar Energy Holding Limited	-	-	8.81	6.95	-	-	8.81	6.95
Essar Minmet Limited	-	-	0.02	5.07	-	-	0.02	5.07
OGD-EHES JV Private Limited	-	-	-	0.62	-	-	-	0.62
Essar Steel Metal Trading Limited	-	-	-	-	-	-	-	-
Total	**148.92**	**101.51**	**612.88**	**559.16**	**-**	**-**	**761.79**	**660.66**

Advance received from Customer								
Arkay Logistics Limited	-	-	-	4.50	-	-	-	4.50
Total	**-**	**-**	**-**	**4.50**	**-**	**-**	**-**	**4.50**
Trade payables								
Essar Bulk Terminal Limited	-	-	-	4.54	-	-	-	4.54
Arkay Logistics Limited	-	-	-	0.55	-	-	-	0.55
AGC Networks Limited	-	-	-	0.29	-	-	-	0.29
Essar Shipping (Cyprus) Limited	-	-	9.67	29.09	-	-	9.67	29.09
Essar Capital (Mauritius) Limited	-	-	0.87	0.88	-	-	0.87	0.88
Essar Shipping Staff Provident Fund Trust	-	-	0.02	0.03	-	-	0.02	0.03
Total	-	-	**10.56**	**35.38**	-	-	**10.56**	**35.38**
Loans and advances payable								

Arkay Logistics Limited	-	-	6.00	21.78	-	-	6.00	21.78
Essar Holdco Mauritius Limited	-	-	-	236.21	-	-	-	236.21
Essar Steel Metal Trading Limited	-	-	77.08	51.36	-	-	77.08	51.36
Edwell Infrastructure Hazira Limited	-	-	264.17	0.60	-	-	264.17	0.60
Bhagwat Power Salaya imited	-	-	40.00	40.00	-	-	40.00	40.00
Total	-	-	**387.25**	**349.95**	-	-	**387.25**	**349.95**

27 Going Concern

As on 31 March, 2023, the Group's net worth is negative and current liabilities exceeds its current assets. The Management is taking appropriate steps to rectify this working capital deficit by negotiating with lenders to settle the loans through monetizing certain assets and during the year the Group has settled the loan with lenders by monetizing assets. The Management is hopeful for arriving at a mutually agreed settlement with balance lenders also. The Holding Company has purchased one Tug during the year and provided on Bare-boat charter basis to the customer and based on the business prospects in oilfield business, the Financials have been prepared on a Going Concern basis.

28 Additional Information as required under Schedule III of the Companies Act, 2013

	Net Assets (Total Assets less Total Liabilities)		**Share in Profit & Loss**		**Share in Total Comprehensive Income**	
Name of the entity in the group	**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	63.62%	(1,669.11)	99.01%	1,633.81	99.01%	1,633.98
Subsidiaries (Indian)						
OGD Services Limited	0.00%	-	0.00%	-	0.00%	-
Starbit Oilfield Services India Limited	0.43%	(11.33)	0.07%	1.16	0.07%	1.16
Subsidiaries (Foreign)						
OGD Services Holdings Limited	39.61%	(1,039.29)	-1.19%	(19.64)	-1.19%	(19.64)
Energy II Limited	-19.42%	509.40	0.05%	0.88	0.05%	0.88
Essar Shipping DMCC	15.75%	(413.30)	2.06%	34.00	2.06%	34.00
Non controlling interests						
OGD Services Limited (Indian Subsidiary)	-	-	-	-	-	-
Energy II Limited (Foreign Subsidiary)	-	111.92	-	0.24	-	0.24
Associates (Indian)						
Arkay Logistics Limited	-	-	-	-	-	-
Associates (Foreign)						

Varada Drilling One Pte Limited	-	-	-	-	-	-
Varada Drilling Two Pte Limited	-	-	-	-	-	-

29 Other Statutory Disclosure

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

30 The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

31 The Company is not declared a wilful defaulter by any bank or financial institution or other lenders.

32 The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

33 The Company does not have any transaction that are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

34 There are no proceedings initiated or pending for holding any benami property under the Benami Transaction (Prohitition) Act, 1988.

35 There is no Investment Property held by Company.

36 The Company has neither traded in nor holds Crypto Currency or Virtual Curency during the year.

37 During the current year, the company has not made any Loans or advances in the nature of Loans are granted to Promoters, Directors, KMPs and the related parties (as define under Companies Act, 2013) either severally or jointly with any other person, that are: (a) repayable on demand: or (b) without specifying any term or period of repayment.

38 The Company does not have any transaction with companies struck off under section 248 of the Company Act 2013, or section 560 of Companies Act, 1956.

39 During the Year, Company has not taken any term loan from any bank of financial Institutions.

40 Comparative Ratio Analysis

Sr No	Ratio	Numerator	Denominator	March 2023	March 2022	% Variances	Reason for Variance (if +/- 25%)
i	Current Ratio	Current Asset	Current Laibility	0.29	0.25	17.78	
ii	Debt to Equity Ratio	Total Long Term Debt	Share Holders Equity	-1.08	-1.15	(6.64)	
iii	Debt Service Coverage Ratio	EBITDA	Interest + Installment	0.23	0.31	(27.77)	During the year the Company has monetised the assets and sale proceeds of the same has been utilised to settled the loan
iv	Return on Equity	Net Income	Share Holders Equity	-0.45	0.02	(2,642.80)	Net Income has increased due to Profit on sale of Fixed assets, other non-operating income and Exceptional income
v	Inventory Turn Over Ratio	Cost of goods sold or Sales	Avg Inventory	N.A.	N.A.	N.A.	Not Applicable because the Company is in service industry
vi	Trade Receivable Turnover Ratio	Credit Sale	Avg Account Receivable	3.22	11.97	(73.10)	The Receivables from debtors got reduced due to recovery from them at the end of current financial year

vii	Trade Payable Turnover Ratio	Total Purchase	Avg Account Payable	N.A.	N.A.	N.A.	Not Applicable because the Company is in service industry
viii	Working Capital Turnover Ratio	Net Annual Sale	Working Capital	-0.02	-0.07	(76.32)	Current liabilities got reduced due to repayment of loans
ix	Net Profit Ratio	Net Profit	Revenue	26.77	-0.25	(10,980.73)	Net Income has increased due to Profit on sale of Fixed assets, other non-operating income and Exceptional income
x	Return on Capital Employed	EBIT	Capital Employed	0.48	0.12	308.61	During the year, Earning before interest and tax increased due to profit on sale of vessels and capital employed decrease due to repayment of loan

41 The previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

Rajesh Desai
Director
(DIN: 08848625)

R Suresh
Director
(DIN: 09299459)

Diwakar Sapre
Partner
Membership No. 040740
Place: Mumbai
Date: 29 May 2023

Vipin Jain
Chief Financial Officer

Place: Mumbai
Date: 29 May 2023

Nisha Barnwal
Company Secretary
Membership No. ACS 66804

If undelivered please return to:

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