

Ref: ML/SGX/2019-20/15

May 29, 2019

To,
The Singapore Exchange Securities Trading limited
2, Shenton Way,
#19-00, SGX Centre 1,
Singapore – 068804

Re: USD 16,000,000 4.75% Convertible Bonds Due 2019 ("The Bonds")
Sub: Outcome of Board Meeting

Dear Sir,

This is to inform you that the Board of Directors of the Company at its meeting held today, has inter-alia, approved the following:

1. Audited Standalone Financial Results of the Company for the quarter/year ended March 31, 2019 and
2. Unaudited Consolidated Financial Results of the Company for the quarter/year ended March 31, 2019.

The meeting of the Board of Directors was commenced at 2:30 p.m. and concluded at 7:35 p.m.

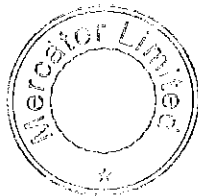
Please acknowledge.

Thanking you,

Yours faithfully,

For Mercator Limited


Sangeetha Pednekar
Company Secretary





MERCATOR

www.mercator.in

Mercator Limited

CIN NO : L63090MH1983PLCO31418

Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

Audited Financial Results For Quarter and Year Ended March 31, 2019

(Rs. in crore)

Particulars	Standalone				
	Quarter ended		Year ended		
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
(a) Revenue from operations	54.74	82.27	96.97	311.96	405.67
(b) Other income	9.44	40.48	16.98	76.61	42.41
Total Income	64.18	122.75	113.95	388.57	448.08
2 Expenses					
(a) Cost of services rendered	58.68	54.77	58.52	212.76	244.28
(b) Employee benefits expense	4.39	4.91	4.41	17.41	17.69
(c) Finance costs	26.50	27.74	25.47	116.92	104.23
(d) Depreciation and amortisation	21.23	33.23	11.22	123.72	137.76
(d) Impairment Losses	53.45			53.45	
(e) Other expenses	4.01	27.61	34.32	13.95	43.85
(f) Loss on Sale / Discard of Fixed Asset	-	73.50	0.37	73.50	37.59
(g) Provision for doubtful debts/advances	(5.36)	77.26	0.68	95.60	5.50
Total expenses	162.90	299.02	134.99	707.31	590.90
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(98.72)	(176.27)	(21.04)	(318.74)	(142.82)
4 Exceptional items	(181.38)	-	-	(181.38)	-
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	(280.10)	(176.27)	(21.04)	(500.12)	(142.82)
6 Tax expense					
Current tax (including earlier year adjustment)	(1.60)	(7.05)	(41.47)	(11.33)	(42.17)
Deferred tax (net)	-	-	-	-	-
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	(281.70)	(183.32)	(62.51)	(511.45)	(184.99)
Discontinued Operation					
Net profit/(loss) before tax from discontinued Operation	-	-	-	-	-
Tax (expenses) / benefit of discontinued operation	-	-	-	-	-
8 Net profit/(loss) after tax from Discontinued Operation					
9 Net profit/(loss) after tax	(281.70)	(183.32)	(62.51)	(511.45)	(184.99)
10 Items that will not be reclassified to statement of profit and loss					
Remeasurement gains /(loss) of defined benefit plans	(0.08)	(0.06)	0.71	(0.12)	0.92
Total Other comprehensive income /(loss)	(0.08)	(0.06)	0.71	(0.12)	0.92
11 Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	(281.78)	(183.38)	(61.80)	(511.57)	(184.07)
12 Profit/(Loss) attributable to for the period (net of tax)					
Owners of the company	(281.70)	(183.32)	(62.51)	(511.45)	(184.99)
Non controlling interest	-	-	-	-	-
13 Other comprehensive income/ (loss) for the year (net of tax)					
Owners of the company	(0.08)	(0.06)	0.71	(0.12)	0.92
Non controlling interest	-	-	-	-	-
14 Total Comprehensive Income /(Loss) for the period / year attributable to					
Owners of the company	(281.78)	(183.38)	(61.80)	(511.57)	(184.07)
Non controlling interest	-	-	-	-	-
15 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25	30.25
16 Basic and Diluted earnings per equity share from continuing operation	(9.32)	(6.06)	(2.19)	(16.91)	(6.52)
17 Basic and Diluted earnings per equity share from discontinued operation	-	-	-	-	-
18 Basic and Diluted earnings per equity share from continuing and discontinued operation	(9.32)	(6.06)	(2.04)	(16.91)	(6.52)
19 Debenture Redemption Reserve				25.00	25.00
20 Capital Redemption Reserve				40.00	40.00
21 Net Worth				145.22	656.92
22 Debt equity ratio				4.73	1.24
23 Debt service coverage ratio (DSCR)				1.02	1.23
24 Interest service coverage ratio (ISCR)				1.25	0.95

ISCR = Cash Profit Before Finance Cost/ Finance cost; Debt Equity Ratio = Total Borrowings/ Total Equity; DSCR = Cash Profit before finance cost/(Finance Cost + Principal Repayments (excluding prepayments) during the year)



MERCATOR LIMITED

(CIN : L63090MH1983PLCO31418)



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Mercator Limited CIN NO : L63090MH1983PLCO31418 Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333 Statement of Assets and Liabilities As at March 31, 2019 (Rs. in crore)		
Particulars	STANDALONE	
	As at 31-Mar-2019 (Audited)	As at 31-Mar-2018 (Audited)
A ASSETS:		
1 Non-current assets:		
a) Property, plant and equipment	451.84	846.07
b) Capital work in progress	-	6.42
c) Investment property	0.96	1.10
d) Other Intangible assets	-	-
e) Investment in subsidiaries	-	-
f) Financial assets		
i) Investments	474.48	74.97
ii) Loans	73.41	428.64
iii) Other financial assets	15.30	19.81
g) Other non-current assets	19.45	41.47
h) Income tax assets (net)	88.87	94.66
	1,124.31	1,513.14
2 Current assets:		
a) Inventories	3.74	10.01
b) Financial assets		
i) Trade receivables	67.71	162.32
ii) Cash and cash equivalent	7.42	18.45
iii) Bank balances other than cash and cash equivalents	21.31	22.70
iv) Loans	262.27	77.31
v) Other financial assets	71.36	76.46
c) Other current assets	30.28	35.36
d) Non current asset held for sale	-	26.28
	464.09	428.89
TOTAL ASSETS	1,588.40	1,942.03
B EQUITY AND LIABILITIES:		
1 Equity:		
a) Equity share capital	30.25	30.25
b) Other equity	222.65	741.16
	252.90	771.41
2 Non-current liabilities:		
a) Financial liabilities		
i) Borrowings	473.73	637.13
ii) Other financial liabilities	0.18	12.78
b) Provisions	1.16	1.17
	475.07	651.08
3 Current liabilities:		
a) Financial liabilities		
i) Borrowings	381.49	125.26
ii) Trade payables	85.27	135.32
iii) Other financial liabilities	369.34	216.44
b) Other current liabilities	23.72	41.99
c) Provision	0.61	0.53
	860.43	519.54
TOTAL EQUITY AND LIABILITIES	1,588.40	1,942.03



MERCATOR LIMITED
(CIN : L63090MH1983PLCO31418)

Notes:

- 1 The Standalone Financial Results of the Company for the year ended March 31, 2019 have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on May 29, 2019.
- 2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 3 The figures for the quarter ended March 31, 2019 and March 31, 2018 are balancing figure between audited figures in respect of full financial year and published year to date figure up to the third quarter of relevant financial year.
- 4 The Company has identified only one major identifiable business segment viz Shipping (including Tankers and Dredgers) at standalone level. Hence, there is only one reportable operating segment as per Ind - AS 108 - Operating Segments at standalone level.
- 5 Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
- 6 During the year, Credit Analysis & Research Limited (CARE) has downgraded the rating assigned to the Company for short term credit facilities from CARE A4 to CARE D for short term bank facilities. Further, there have been delays/ defaults in repayment of Loans instalments and Interest to Banks / Financial Institutions. The Company has incurred significant losses during the quarter and year. The Company is in the process of exploring various strategic initiatives, financing and resolution options to address these delays/ defaults. The management is of the view that the Going concern assumption is not vitiated in view of the various initiatives being undertaken. The auditors have in their Audit Report have drawn attention to this matter without qualifying their opinion.
- 7 During the year, the Company had entered into an agreement for sale of VLGC "Sisouli Prem", built in 1991 vide Memorandum of Agreement (MOA) dated November 30, 2018, which was delivered / sold to the buyer on December 20, 2018. Also, one Tanker "M.T. Vedika Prem" built in 1992 was delivered / sold on November 26, 2018 vide Agreement to Sale dated October 25 2018. Loss on sale of these assets is Rs. 73.50 crore
- 8 During the quarter ended March 31, 2019, financial lender of a step down foreign subsidiary has invoked Letter of Comfort (LOC) amounting to Rs. 244.61 crore (USD 35.20 million) issued to local lender by the Company, which has resulted in a claim of debt of such amount with interest on the Company as on March 31, 2019. A part of such loan, amounting to Rs. 174.47 crore, has been recovered by the lender on May 9, 2019 from the sales proceeds of sale of vessel "Nerissa" in the step down subsidiary and balance amount has been recognised as a loan by the Company.
- 9 Based on impairment testing of its assets, conducted by the Company considering the estimated future cash flows, carrying amounts and valuation available, the Company has impaired value of its dredgers, amounting to Rs. 53.45 crore.
- 10 During the quarter ended March 31, 2019, the Company has recognized exceptional items as follows :
 1. Impairment of Investment and Receivable from a step-down foreign subsidiary, in lieu of sale of its assets and invocation of Letter of Comfort amounting to Rs. 84.22 crore (Refer note no 8).
 2. Additional impairment loss amounting to Rs. 97.16 crore for one of its Hopper Dredger "Veera Prem" which has been grounded due to natural calamities. The Company has initiated necessary actions with insurance authorities and the claim recoverable will be recognised when reasonable certainty is established based on the accounting policy of the Company.
- 11 During the quarter, company has converted the loan receivable amounting to Rs. 391.16 crore (USD 55.65 million) from one of its wholly owned Singapore based subsidiary, Mercator International Pte Ltd., into 6.51% Non- Cumulative Redeemable Preference Shares (NCRPS) to the extent of the amount outstanding as on March 30, 2019 as a part of its restructuring exercise at group level.



MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)

- 12 12% Secured Non Convertible Debentures (NCD), issued on March 27, 2018 are unrated and are secured by way of first pari passu charge on the Company's specific assets and collaterally by pledge of the shares of one of its subsidiary & step - down subsidiary Company. These are redeemable at a premium of 5%.

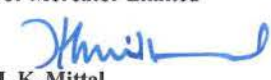
Sr No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Previous due date for payment of Interest on Non – Convertible Debentures (NCD)	30-Mar-19	4-Nov-17
2	Previous due date for repayment of Principal of NCD	NA	4-Nov-17
3	Next due date and amount for payment of Interest on 12% Secured NCD	30-Jun-19	30-Jun-18
4	Next due date and amount for the repayment of Principal of 12% Secured NCD	30-Jun-20	30-Jun-20

Prepayment of earlier issued 12.4% NCD was done on March 27, 2018 from the proceeds of issue of 12% NCD amounting to Rs. 100 crore.

- 13 The Company is reflecting current tax assets (net) of Rs. 88.87 crore as on March 31, 2019, which comprises of income tax receivables (including tax paid) of Rs. 111.26 crore and income tax provision of Rs. 52.79 crore which has not been settled due to on - going tax assessment for the period Assessment Year 2007-08 to Assessment Year 2015-16 at various judicial forums of the Income Tax Department. Considering the various judicial pronouncements and submissions made so far, the management is hopeful of a favorable outcome of these pending litigations. The Auditors have qualified their audit report in respect of this matter.
- 14 In case of our one of the step-down subsidiary, PT Karya Putra Borneo, a minority shareholder has raised a frivolous claim with respect to the entire shareholding of the said subsidiary Company.
The Company has already initiated the necessary legal steps for the aforesaid dispute and expects to resolve this matter at the earliest possible. Meanwhile the control of the operations are continuing normally under our management.
- 15 **Termination of SSCP project contract by ONGC**
Mercator Oil & Gas Limited ('MOGL'), a subsidiary of the Company engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, 2018, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project giving the consortium 14 days cure period as per the contract and simultaneously proceeded to encash the bank guarantees. The performance of the Petitioner Company was adversely impacted due to illegal termination of the by ONGC after the Company successfully completed almost 96% of the Project and further refusal to pay an amount of USD 9.53Mn which is due and owed by them in accordance with the milestones agreed in the Contract. MOGL has since then initiated arbitration proceedings against ONGC and appointed its arbitrator and a tribunal has been formed.
- 16 The Company has an insurance claim amounting to Rs. 54.28 crore, pertaining to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion. The next hearing for the matter is scheduled on September 17, 2019.
- 17 The results for the quarter and year ended March 31, 2019 are available on the BSE Ltd website www.bseindia.com, National Stock Exchange of India Limited website www.nseindia.com and the Company's website www.mercator.in
- 18 Figures of previous periods have been regrouped / reclassified wherever necessary to conform to current period classification.

Date: May 29, 2019
Place: Mumbai

For Mercator Limited


H. K. Mittal
Executive Chairman
DIN: 00007690



MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF THE STANDALONE FINANCIAL RESULTS

TO,
THE BOARD OF DIRECTORS OF
MERCATOR LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **M/s. Mercator Limited** ("the Company") for the year ended March 31, 2019 together with notes thereon (herein after referred to as 'the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and has been initialed by us for identification purpose.

Management's Responsibility for the standalone financial results

2. The Management is responsible for the preparation of the accompanying Statement and has been approved by the Board of Directors. The Management is also responsible for the preparation of the annual statutory financial statements in accordance with the Accounting Standards specified in the Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited standalone financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis of Qualified Opinion

As detailed in Note 13 of the Statement, the Company's tax receivables (net) under financial assets are carried in the Balance Sheet at Rs. 88.87 crore. As per the information and explanations given to us, tax assessments are under process for the period AY 2007-08 to AY 2015-16 at different forums and have received demand amounting to Rs. 63.18 crore which has been contested by the Company and has appealed at higher authorities and hence has been reflected as contingent liability in the financial statements. However, we are unable to comment on the impact of the outcome of these on – going litigations on the standalone Ind – AS financial statements.

Qualified Opinion

6. In our opinion and to the best of our information and according to the explanation given to us, except for the matter as described in the Basis of Qualified opinion paragraph above, the Statement:
 - a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - b) gives a true and fair view of the financial performance including other comprehensive expense and other financial information of the Company for the year ended March 31, 2019 and also the statement of assets and liabilities as at March 31, 2019, in accordance with the accounting principles generally accepted in India.

Material Uncertainty Relating to Going Concern

7. We draw your attention to the following matters:

Note 6 of the statement regarding the preparation of the statement on going concern basis, for the reason stated therein. Consequently the assets and liabilities are being carried at their book value and the management is of the view that no further impairment of its non-current assets is required. The Company has accumulated losses and has also incurred significant losses during the year ended March 31, 2019. As on date, the Company has substantial investments and loans and advances receivable from subsidiary companies and other disputed receivables, which are not readily realizable to service the Company's current liabilities and the Company's net worth has also been substantially eroded. These conditions indicate the existence of an uncertainty that may cast a doubt on the Company's ability to continue as going concern. The appropriateness of assumption of going concern, and evaluation of recoverable value of its noncurrent assets is dependent upon the resolution of the debt of the Company, the Company's ability to raise requisite finance, achieve favourable orders in various ongoing litigations and generate cash flows in future to meet its obligations and to earn profits in future.

Our opinion is not modified in respect of above matters.

Emphasis of Matter:

8. We draw attention to:

1. Note 14 to the Statement regarding an ongoing litigation relating to shareholding of a step down subsidiary, PT Karya Putra Borneo (KPB) (a material subsidiary), where a minority shareholder has raised a claim relating to the entire shareholding of the entity. The total investments and advances to KPB from a subsidiary entity amounts to USD 13.72 million and USD 10.33 million respectively. As a result of this dispute in the shareholding, the management has not been able to provide audited financial statements of KPB for our review. Hence we are unable to comment on the impact if



any arising from this litigation and from the audit of the said subsidiary, which may impact the investment value of the direct subsidiary Mercator International Pte Ltd.

2. Note 15 regarding termination of Sagar Samrat Conversion Project (SSCP), undertaken by a subsidiary Mercator Oil and Gas Ltd. (hereinafter referred as "MOGL" or "subsidiary"), by ONGC. ONGC has invoked certain bank guarantees issued by subsidiary and parent company guarantee issued by the Company, on which the subsidiary has obtained interim stay from the Hon'ble Bombay High Court. The matter is currently under dispute and based on legal opinion obtained the company is confident that it will be able to realize its dues under the contract. The Company has investments and loans (including receivables) amounting to Rs. 0.15 crore and Rs. 79.59 crore respectively in MOGL, the recoverability of which would depend on the outcome of this litigation.
3. Note 16 regarding receivable from an insurance company amounting to Rs. 54.28 crore, pertaining to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion.

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

Other Matter

Note 3 regarding the figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year respectively. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit

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

Restriction on Use

9. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 1 above. This report should not be otherwise used by any other party for any other purpose.

Place: Mumbai
Dated: May 29, 2019



For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E


S.Chandrasekhar
Partner
Membership No. 007592

Ref: ML/SGX/2019-20/17

May 29, 2019

To,
The Singapore Exchange Securities Trading limited
2, Shenton Way,
#19-00, SGX Centre 1,
Singapore – 068804

Re: USD 16,000,000 4.75% Convertible Bonds Due 2019 (“The Bonds”)

Sub: Statement of Impact under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Please find enclosed herewith the Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2019 on Standalone Financial Result in compliance with Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016.

Please acknowledge.

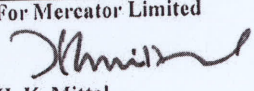
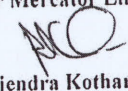
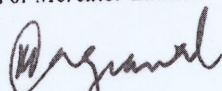
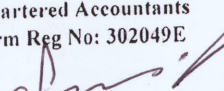
Thanking you,

Yours faithfully,

For Mercator Limited


Sangeetha Pednekar
Company Secretary



Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 on Standalone Financial Result [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
			Rs. in crore	
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	388.57	388.57
	2	Total Expenditure	888.69	888.69
	3	Net Profit/(Loss)	(500.12)	(500.12)
	4	Earnings Per Share (in Re.)	(16.91)	(16.91)
	5	Total Assets	1,588.40	1,588.40
	6	Total Liabilities	1,335.50	1,335.50
	7	Net Worth	252.90	252.90
II. Audit Qualification (each audit qualification separately):				
	a	Details of Audit Qualification:		
		As detailed in Note 13 of the Statement, the Company's tax receivables (net) under financial assets are carried in the Balance Sheet at Rs. 88.87 crore. As per the information and explanations given to us, tax assessments are under process for the period AY 2007-08 to AY 2015-16 at different forums and have received demand amounting to Rs. 63.18 crore which has been contested by the Company and has appealed at higher authorities and hence has been reflected as contingent liability in the financial statements. However, we are unable to comment on the impact of the outcome of these on - going litigations on the standalone Ind - AS financial statements.		
	b	Type of Audit Qualification: Qualified Opinion		
	c	Frequency of qualification: a) first time; ☒ b) Repetitive; c) Repetitive		
	d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		
		The Company is reflecting current tax assets (net) of Rs. 88.87 crore as on March 31, 2019, which comprises of income tax receivables (including tax paid) of Rs. 111.26 crore and income tax provision of Rs. 52.79 crore which has not been settled due to on - going tax assessment for the period Assessment Year 2007-08 to Assessment Year 2015-16 at various judicial forums of the Income Tax Department. Considering the various judicial pronouncements and submissions made so far, the management is hopeful of a favourable outcome of these pending litigations. The Auditors have qualified their audit report in respect of this matter.		
	e	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of audit qualification:		
	(ii)	If management is unable to estimate the impact, reasons for the same: Due to pending appeals at various forums the impact is not quantifiable.		
	(iii)	Auditors' Comments on (i) or (ii) above: As stated in point II (a) above.		
III. Signatories:				
For Mercator Limited		For Mercator Limited		
				
H. K. Mittal Executive Chairman		Rajendra Kothari Chief Financial Officer		
For Mercator Limited		For Singhi & Co.		
		Chartered Accountants		
M. M. Agrawal Audit Committee Chairman		Firm Reg No: 302049E		
				
		S. Chandrasekhar Partner		
		Membership No.007592		
Place: Mumbai				
Date: 29/05/2019				

Mercator Limited

CIN NO : L63090MH1983PLCO31418

Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

Unaudited Financial Results For Quarter and Year Ended March 31, 2019

(Rs. in crore)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	Unaudited	Unaudited	Audited	Unaudited	Audited
1 Income					
(a) Revenue from operations	174.26	266.94	183.08	865.50	932.02
(b) Other income	1.91	160.72	23.76	167.10	36.47
Total Income	176.17	427.66	206.84	1,032.60	968.49
2 Expenses					
(a) Cost of services rendered	165.09	206.80	94.49	622.63	643.45
(b) Employee benefits expense	9.98	11.19	12.00	40.18	30.10
(c) Finance costs	33.10	32.47	41.14	144.63	144.10
(d) Depreciation and amortisation	32.00	40.56	20.61	153.80	154.44
(d) Impairment Losses	53.45	-	-	53.45	
(e) Other expenses	46.75	297.80	67.10	366.42	167.99
Total expenses	340.37	588.82	235.34	1,381.11	1,140.08
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(164.20)	(161.16)	(28.50)	(348.51)	(171.59)
4 Exceptional items	(97.16)		-	(108.89)	-
5 Profit/(loss) before tax from Continuing Operations (3 - 4)	(261.36)	(161.16)	(28.50)	(457.40)	(171.59)
6 Tax expense					
Current tax (including earlier year adjustment)	(6.72)	(10.16)	(39.77)	(32.63)	(58.12)
Deferred tax (net)	0.52	1.61	(2.12)	0.41	(2.12)
7 Net profit/(loss) after tax from Continuing Operations (5 - 6)	(267.56)	(169.71)	(70.39)	(489.62)	(231.83)
Discontinued Operation					
Net profit/(loss) before tax from discontinued Operation	(39.81)	(280.06)	(14.75)	(346.59)	(45.73)
Tax (expenses) / benefit of discontinued operation	-	-	-	-	-
8 Net profit/(loss) after tax from Discontinued Operation	(39.81)	(280.06)	(14.75)	(346.59)	(45.73)
9 Net profit/(loss) after tax	(307.37)	(449.77)	(85.14)	(836.21)	(277.56)
10 Items that will not be reclassified to statement of profit and loss					
Remeasurement gains /(loss) of defined benefit plans	0.01	(0.10)	1.33	(0.05)	1.49
Total Other comprehensive income /(loss)	0.01	(0.10)	1.33	(0.05)	1.49
11 Total comprehensive income /(loss) for the period/year (comprising profits and other comprehensive income for the period/year) (9+10)	(307.36)	(449.87)	(83.81)	(836.26)	(276.07)
12 Profit /(Loss) attributable to for the period (net of tax)					
Owners of the company	(341.69)	(427.35)	(92.35)	(869.39)	(295.28)
Non controlling interest	34.31	(22.42)	7.21	33.18	17.72
13 Other comprehensive income/ (loss) for the year (net of tax)					
Owners of the company	0.01	(0.10)	1.33	(0.05)	1.24
Non controlling interest	-	-	-	-	0.25
14 Total Comprehensive Income /(Loss) for the period / year attributable to					
Owners of the company	(341.68)	(427.45)	(91.02)	(869.44)	(294.04)
Non controlling interest	34.31	(22.42)	7.21	33.18	17.97
15 Paid up equity share capital (FV of Re.1 per share)	30.25	30.25	30.25	30.25	30.25
16 Basic and Diluted earnings per equity share from continuing operation	(9.98)	(4.87)	(2.73)	(17.29)	(8.91)
17 Basic and Diluted earnings per equity share from discontinued operation	(1.32)	(9.26)	(0.49)	(11.46)	(1.51)
18 Basic and Diluted earnings per equity share from continuing and discontinued operation	(11.30)	(14.13)	(3.22)	(28.75)	(10.42)
19 Debenture Redemption Reserve				25.00	25.00
20 Capital Redemption Reserve				40.00	40.00
21 Net Worth				(26.94)	838.80
22 Debt equity ratio				25.75	1.81
23 Debt service coverage ratio (DSCR)				0.92	1.01
24 Interest service coverage ratio (ISCR)				1.20	0.82

ISCR = Cash Profit Before Finance Cost/ Finance cost; Debt Equity Ratio = Total Borrowings/ Total Equity; DSCR = Cash Profit before finance cost/(Finance Cost + Principal Repayments (excluding prepayments) during the year)


MERCATOR LIMITED

(CIN : L63090MH1983PLCO31418)

Mercator Limited CIN NO : L63090MH1983PLC031418 Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333 Statement of Assets and Liabilities As at March 31, 2019 (Rs. in crore)		
Particulars	Consolidated	
	As at 31-Mar-2019 (Unaudited)	As at 31-Mar-2018 (Audited)
A ASSETS:		
1 Non-current assets:		
a) Property, plant and equipment	859.48	1,640.44
b) Capital work in progress	286.89	292.31
c) Investment property	0.97	1.10
d) Other Intangible assets	1.55	0.54
e) Deferred Tax Assets	0.91	-
f) Financial assets		
i) Investments	0.00	-
ii) Loans	6.91	10.81
iii) Other financial assets	216.61	15.13
g) Other non-current assets	64.64	114.05
h) Income tax assets (net)	92.73	82.50
	1,530.69	2,156.88
2 Current assets:		
a) Inventories	17.48	16.61
b) Financial assets		
i) Investments	196.84	205.73
ii) Trade receivables	216.88	321.74
iii) Cash and cash equivalent	13.85	22.46
iv) Bank balances other than cash and cash equivalents	24.26	105.98
v) Loans	27.32	3.18
vi) Other financial assets	69.11	74.61
c) Other current assets	144.95	282.36
Non current asset held for sale	197.14	26.28
	907.83	1,058.95
TOTAL ASSETS	2,438.52	3,215.83
B EQUITY AND LIABILITIES:		
1 Equity:		
a) Equity share capital	30.25	30.25
b) Other equity	(56.66)	922.43
Non Controlling Interest	94.06	60.97
	+ 67.65	1,013.65
2 Non-current liabilities:		
a) Financial liabilities		
i) Borrowings	514.48	1,012.60
ii) Other financial liabilities	29.74	42.00
b) Provisions	4.05	3.55
c) Deferred Tax Liability (Net)	-	0.72
	548.27	1,058.87
3 Current liabilities:		
a) Financial liabilities		
i) Borrowings	678.26	422.61
ii) Trade payables	356.77	265.29
iii) Other financial liabilities	654.89	324.42
b) Other current liabilities	132.05	130.43
d) Provision	0.63	0.56
	1,822.60	1,143.31
TOTAL LIABILITIES	2,370.87	2,202.18
TOTAL EQUITY AND LIABILITIES	2,438.52	3,215.83



MERCATOR LIMITED

Regd. Office: 3rd Floor, Mittal Tower, B-wing, Nariman Point, Mumbai-400021. Tel: 022-66373333

Unaudited Financial Results For Quarter and Year Ended March 31, 2019

SEGMENTWISE CONSOLIDATED REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND YEAR ENDED MARCH, 31 2019
(Rs in crore)

Particulars	Quarter Ended			Year Ended	Year Ended
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)					
(a) Shipping	54.75	82.27	96.97	311.96	405.66
(b) Coal (Mining, Procurement and Logistics)	131.56	179.61	80.89	535.18	493.88
(c) Others	(12.05)	5.06	5.22	18.37	32.48
Net sales/Income From Operations	174.26	266.94	183.08	865.51	932.02
2. Segment Results Profit/(Loss) before tax from each segment					
(a) Shipping	(72.22)	(165.56)	37.27	(201.82)	(9.54)
(b) Coal (Mining, Procurement and Logistics)	(27.39)	(84.09)	30.99	(56.07)	69.77
(c) Others	(31.51)	103.94	(48.28)	54.01	(58.66)
Less: Interest	33.10	15.45	48.49	144.63	173.16
Less: Exceptional items	97.16	-	-	108.89	-
Total Profit / (Loss) Before Tax from Continuing Operations	(261.38)	(161.16)	(28.51)	(457.40)	(171.59)
Net profit/(loss) before tax from discontinued Operation	(39.81)	(280.06)	(14.75)	(346.59)	(45.73)
Total Profit / (Loss) Before Tax	(301.19)	(441.22)	(43.26)	(803.98)	(217.32)
3. Segment Assets					
(a) Shipping	773.97	1,021.24	1,346.98	773.97	1,346.98
(b) Coal (Mining, Procurement and Logistics)	782.43	703.98	797.75	782.43	797.75
Total Segment Assets	1,556.40	1,725.22	2,144.73	1,556.40	2,144.73
Unallocable Assets	678.69	587.77	584.44	678.69	584.44
Discontinued operation	203.41	242.13	486.66	203.41	486.66
Total Assets	2,438.50	2,555.12	3,215.83	2,438.50	3,215.83
4. Segment Liabilities					
(a) Shipping	1,807.39	1,122.36	1,095.45	1,807.39	1,095.45
(b) Coal (Mining, Procurement and Logistics)	832.17	371.78	574.78	832.17	574.78
Total Segment Liabilities	2,639.56	1,494.14	1,670.23	2,639.56	1,670.23
Unallocable Liabilities	(295.15)	451.18	268.47	(295.15)	268.47
Discontinued operation	26.45	253.94	263.48	26.45	263.48
Total Liabilities	2,370.86	2,199.26	2,202.18	2,370.86	2,202.18


MERCATOR LIMITED

(CIN : L63090MH1983PLC031418)

31 Mittal Tower - B, Nariman Point, Mumbai - 400021, India. Tel: +91 22 66373333 Fax: +91 22 66373344 mercator@mercator.in

Notes:

- 1 The consolidated financial results of the Company have been reviewed by the Audit Committee at the meeting of the board of Directors held on May 29, 2019. The figures for the quarter ended March 31, 2019 are unaudited and are balancing figures between unaudited figures in respect of full financial year and the published year to date figures up to third quarter of the financial year.
- 2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 3 The Company has identified segments into Shipping (including Tankers and Dredgers) and Coal (including mining procurement and logistics). The ships are operating internationally. The performance of the segments are monitored on the basis of primary segment only.
- 4 Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
- 5 In case of two step down subsidiaries, the respective auditors in their report for the financial year ended March 31, 2018, have raised a concern regarding the recoverability of deposits amounting to Rs. 23.43 crore which has been provided in books of accounts as at March 31, 2019 paid in the past to acquire 70% equity interests in companies which own coal mining concessions. The Principal auditors had qualified their opinion in respect of the above matter until quarter ended December 31, 2018. With regard to above observation, the company has provided the amount in current quarter.
- 6 Auditors of one of the step down subsidiary have issued a modified opinion for the financial year ended March 31, 2018 on account of recoverability, non provision of impairment loss with respect to long overdue Trade Receivables amounting to Rs.91.25 crore which has been provided in books of accounts as on March 31, 2019. The Principal auditors had also qualified their opinion in respect of the above matter till September 2018 quarter. During the third quarter, the subsidiary has made adequate provision for the same to comply with the said qualification.
- 7 During the year, some step down subsidiaries have entered into one time settlement agreements pertaining to legal disputes for past transactions for non active businesses with certain vendors. Accordingly, such claim of Rs. 11.73 crore has been considered as an Exceptional item in the financial results.
- 8 **Termination of SSCP project contract by ONGC**
Termination of SSCP project contract by ONGC
Mercator Oil & Gas Limited ('MOGL'), a subsidiary of the Company engaged in EPC project awarded by ONGC for conversion of their Mobile Offshore Drilling Unit (MODU) 'Sagar Samrat' into a Mobile Offshore Production Unit (MOPU). On September 25, MOGL received a notice of termination from ONGC for Sagar Samrat Conversion Project giving the consortium 14 days cure period as per the contract and simultaneously proceeded to encash the bank guarantees. The performance of the Petitioner Company was adversely impacted due to illegal termination of the by ONGC after the Company successfully completed almost 96% of the Project and further refused to pay an amount of USD 9.53Mn which is due and owed by them in accordance with the milestones agreed in the Contract. MOGL has since then initiated arbitration proceedings against ONGC and appointed its arbitrator and a tribunal has been formed.



- 9 During the year, Credit Analysis & Research Limited (CARE) has downgraded the rating assigned to the Company for short term credit facilities from CARE A4 to CARE D for short term bank facilities. Further, there have been delays/ defaults in repayment of Loans instalments and Interest to Banks / Financial Institutions. The Company has incurred significant losses during the quarter and year. The Company is in the process of exploring various strategic initiatives, financing and resolution options to address these delays/ defaults. The management is of the view that the Going concern assumption is not vitiated in view of the various initiatives being undertaken. The auditors have in their Audit Report have drawn attention to this matter without qualifying their opinion.

10 **i) Disclosures relating to Discontinued operation :**

During the quarter, a overseas subsidiary passed a resolution approving the sale of VLCC vessel "Nerissa" held under Property, Plant & Equipment which is the only Cash Generating Unit (CGU) of the said subsidiary. Subsequently a Memorandum of Agreement (MOA) was signed with a buyer agreeing to sale price of USD 27.50 Mn (Net). Accordingly, during the quarter, the subsidiary has accounted for Impairment loss of Rs. 286.92 Crore on classification of the said asset as "Non-Current Asset held for sale" . The said impairment loss is included under "Net profit/(loss) before tax from discontinued operation" in the above results.

However, Lender of the Step down subsidiary has invoked the Standby Letter of Credit (SBLC) and recover the debt as on March 31, 2019 which resulted in to Inter company loan in ultimate holding company. The vessel was sold on April 26, 2019 and sales proceeds thereof was utilised towards repayment of debt to the bank in ultimate holding company.

ii) In view of the above development, the Company has presented the financial results of the said subsidiary as discontinued operation in accordance with Ind AS -105 "Non-current Assets Held for Sale and Discontinued Operations" . Given below is the Financial Performance of the discontinued operation:

(Rs in crore)

Particulars	Quarter ended			Year ended	
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenue	12.75	17.14	9.10	33.09	42.19
Less:					
Operating Cost	13.98	5.35	7.25	17.99	25.23
Depreciation	0.05	6.11	7.81	23.79	31.60
Impairment loss on classification of asset as Non-Current Asset held for sale	21.62	268.65	-	-	-
Finance Cost	11.38	8.64	7.25	21.71	29.06
Administrative Expenses	13.95	0.07	0.08	0.58	2.03
Profit / (Loss) Before tax	(48.23)	(271.69)	(13.27)	(30.98)	(45.73)

- 11 During the year, the Company had entered into an agreement for sale of VLGC "Sisouli Prem", built in 1991 vide Memorandum of Agreement (MOA) dated November 30 , 2018 , which was delivered / sold to the buyer on December 20, 2018. Also, one Tanker "M.T. Vedika Prem" built in 1992 was delivered / sold on November 26, 2018 vide Agreement to Sale dated October 25 2018. Loss on sale of these assets is Rs. 73.50 crore
- 12 During the quarter, company has converted the loan receivable amounting to Rs. 391.16 crore (USD 55.65 million) from one of its wholly owned Singapore based subsidiary, Mercator International Pte Ltd., into 6.51% Non- Cumulative Redeemable Preference Shares (NCRPS) to the extent of the amount outstanding as on March 30, 2019 as a part of its restructuring exercise at group level.



- 13 The parent company's tax receivables appearing under financial assets are being carried to the Balance Sheet at Rs.153.04 crore and tax provision at Rs. 66.61 crore appearing under financial liability due to the on – going tax assessment for the period Assessment Year 2007-08 to Assessment Year 2015-16 at various judicial forums of the Income Tax Department. Considering the various judicial pronouncements made so far management is expecting favourable outcome of the pending litigation.
- 14 This is to inform you that a minority shareholder of one of our step-down subsidiary, PT Karya Putra Borneo, based at Indonesia has raised a frivolous claim with respect to the shareholding of the said subsidiary Company. The Company has already initiated the necessary legal steps for the aforesaid dispute and expects to resolve this matter at the earliest possible. Meanwhile the control of the operations are continuing normally under our management.
- 15 During the quarter ended March 31, 2019, the Company has recognized impairment loss amounting to Rs. 97.16 crore for one of its Hopper Dredger " Veera Prem" which has been grounded due to natural calamities. The Company has initiated necessary actions with insurance authorities and any further impact of the same will be recognized in books as per applicable accounting policy of company.
- 16 The Company has an insurance claim amounting to Rs. 54.28 crore, pertaining to total loss claim on a vessel pertaining to the year 2012-13, which has been considered fully recoverable by the management and is supported by a legal opinion. The next hearing for the matter is scheduled on September 17, 2019.
- 17 During the year Group has conducted a specific detailed evaluation of its receivables and payables and has provided for old overdue receivables and advances given, which amount to Rs. 222.28 crore {Company (standalone) - Rs.97.10 crore} (including the amount stated in note 6 above) in "Other Expenses". The Group has also written back Rs. 157.93 crore {Company (standalone) - Rs.36.05 crore} which majorly include the liability written back on account of liquidation completion of two of our step down subsidiaries and creditors, in "Other Income".
- 18 Based on impairment testing of its assets, conducted by the Company considering the estimated future cash flows, carrying amounts and valuation available, the Company has impaired value of its dredgers, amounting to Rs. 53.45 crore.
- 19 The results for the quarter and nine month ended December 31, 2018 are available on the BSE Ltd website www.bseindia.com, National Stock Exchange of India Limited website www.nseindia.com and the Company's website www.mercator.in.
- 20 Figures of previous periods have been regrouped / reclassified wherever necessary to conform to current period classification.

Date: May 29, 2019
Place: Mumbai

For Mercator Limited


H. K. Mittal
Executive Chairman
DIN: 00007690



MERCATOR LIMITED
(CIN : L63090MH1983PLC031418)