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May 28, 2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 526235

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
Scrip Code: MERCATOR

Sub: Audited Financial Results (Standalone & Consolidated) for the quarter/year ended March 31, 2018

Dear Sir,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following

- Statements showing the Audited Financial Results for the quarter/ year ended March 31, 2018;
- Auditors Report on the Audited Financial Results – Standalone and Consolidated for the quarter/ year ended March 31, 2018.

The meeting of the Board of Directors was commenced at 11: 30 a.m. and concluded at 6:55 p.m.

Please acknowledge.

Thanking you,

Yours faithfully,
For **Mercator Limited**

H. K. Mittal
Executive Chairman
DIN: 00007690

Mercator Limited

Encl: as above

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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 Audited Standalone and Consolidated Financial Results For Quarter and Year Ended March 31, 2018

(Rs. in Crore)

	Particulars	Consolidated					Standalone				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
1	**Income**										
	(a) Revenue from operations	192.18	203.92	446.60	974.21	2,115.39	96.97	112.96	135.40	405.67	538.33
	(b) Other income (net)	23.76	4.49	148.92	36.47	156.23	16.98	7.66	12.45	42.41	30.50
	Total Income	**215.94**	**208.41**	**595.52**	**1,010.68**	**2,271.62**	**113.95**	**120.62**	**147.85**	**448.08**	**568.83**
2	**Expenses**										
	(a) Cost of service rendered	101.74	161.15	284.61	668.68	1,383.63	58.52	62.09	87.93	244.28	306.93
	(b) Employee benefits expense	12.00	4.85	8.10	30.10	36.42	4.41	4.61	4.39	17.69	15.26
	(c) Finance costs	48.49	42.65	64.16	173.16	232.42	25.47	25.14	22.77	104.23	96.90
	(d) Depreciation and amortisation	28.42	47.07	70.46	186.04	318.64	11.22	40.48	36.72	137.76	147.27
	(e) Other expenses	68.55	56.97	200.37	170.01	241.34	35.37	41.93	5.52	86.94	22.86
	Total expenses	**259.20**	**312.69**	**627.70**	**1,227.99**	**2,212.45**	**134.99**	**174.25**	**157.33**	**590.90**	**589.22**
3	**Profit /(loss) from operations before exceptional items and tax**	**(43.26)**	**(104.28)**	**(32.18)**	**(217.31)**	**59.17**	**(21.04)**	**(53.63)**	**(9.48)**	**(142.82)**	**(20.39)**
4	Exceptional items	-	-	-		(9.16)	-	-	-	-	9.16
5	**Profit/(loss) before tax (3 - 4)**	**(43.26)**	**(104.28)**	**(32.18)**	**(217.31)**	**50.01**	**(21.04)**	**(53.63)**	**(9.48)**	**(142.82)**	**(29.55)**
6	Tax expense										
	Current tax	(39.77)	(1.01)	(17.45)	(58.12)	(20.03)	(41.47)	(0.20)	(0.20)	(42.17)	(1.00)
	Deferred tax (net)	(2.12)	-	-	(2.12)	(1.18)	-	-	-		-
7	**Net profit /(loss) after tax (5 - 6)**	**(85.15)**	**(105.29)**	**(49.63)**	**(277.55)**	**28.80**	**(62.51)**	**(53.83)**	**(9.68)**	**(184.99)**	**(30.55)**
	Other comprehensive income/(expenses) net of tax										
	Items that will not be reclasified to statement of profit and loss										
	Remeasurement gains /(loss) of defined benefit plans	1.33	0.46	(0.43)	1.49	(0.43)	0.71	0.35	(0.61)	0.92	(0.61)
8	**Other comprehensive income**	1.33	0.46	(0.43)	1.49	(0.43)	0.71	0.35	(0.61)	0.92	(0.61)
9	**Total comprehensive income for the period**	**(83.82)**	**(104.83)**	**(50.06)**	**(276.06)**	**28.37**	**(61.80)**	**(53.48)**	**(10.29)**	**(184.07)**	**(31.16)**
10	**Total comprehensive income for the period attributable to**										
	Owners of the company	(91.03)	(105.30)	(41.19)	(294.03)	24.14	(61.80)	(53.48)	(10.29)	(184.07)	(31.16)
	Non controlling interest	7.21	0.47	(8.87)	17.97	4.23	-	-	-		-
11	**Paid up equity share capital (FV of Re.1 per share)**	30.25	30.25	26.99	30.25	26.99	30.25	30.25	26.99	30.25	26.99
12	**Paid up debt capital**									100.00	100.00
12	**Other equity**		-		922.43	964.93		-		741.16	794.62
13	**Basic and diluted earnings per share**	(3.22)	(3.67)	0.93	(10.42)	0.97	(2.19)	(1.86)	(0.38)	(6.52)	(1.25)
14	**Debeture redemption reserve**				25.00	25.00				25.00	25.00
15	**Capital redemption reserve**				40.00	40.00				40.00	40.00
16	**Net worth**				838.80	868.32				656.92	685.81
17	**Debt equity ratio**				1.81	1.85				1.24	1.23
18	**Debt service coverage ratio (DSCR)**				1.01					1.23	1.11
19	**Interest service coverage ratio (ISCR)**				0.82	2.59				0.95	2.21

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)

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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, 2018

(Rs. in Crore)

	Particulars	Consolidated	
		As at 31-Mar-2018	As at 31-Mar-2017
A	**ASSETS:**		
1	**Non-current assets:**		
	a) Property, Plant and Equipment	1,638.13	1,862.93
	b) Capital work in progress	292.31	694.07
	c) Investment Property	3.41	1.25
	d) Other Intangible Assets	0.55	0.19
	e) Financial Assets		-
	i) Investments	0.00	0.00
	ii) Loans	10.81	17.36
	iii) Other Financial Assets	15.13	2.70
	e) Other Non-Current Assets	114.05	84.73
	f) Current Tax assets (net)	82.49	129.92
		2,156.88	**2,793.15**
2	**Current assets:**		
	a) Inventories	16.61	17.85
	b) Financial Assets		-
	i) Investments	205.73	185.86
	ii) Trade Receivables	321.74	390.26
	iii) Cash and Cash Equivalent	41.98	94.18
	iv) Bank balances other than cash and cash equivalents	86.46	35.23
	v) Loans	3.18	1.66
	vi) Other Financial Assets	74.61	69.62
	c) Other Current Assets	282.36	354.28
	d) Non Current Asset classified as Held for Sale	26.28	-
		1,058.95	**1,148.94**
	TOTAL ASSETS	**3,215.83**	**3,942.09**
B	**EQUITY AND LIABILITIES:**		
1	**Equity:**		
	a) Equity Share Capital	30.25	26.99
	b) Other Equity	922.43	964.93
	Non Controlling Interest	60.97	57.93
		1,013.65	**1,049.85**
2	**Non-Current Liabilities:**		
	a) Financial Liabilities		
	i) Borrowings	1,012.60	1,199.58
	ii) Other Financial Liabilities	42.00	42.45
	b) Provisions	3.55	4.39
		1,058.15	**1,246.42**
3	**Current Liabilities:**		
	a) Financial Liabilities		
	i) Borrowings	422.61	422.82
	ii) Trade payables	265.29	192.40
	iii) Other Financial Liabilities	324.42	912.22
	b) Other Current Liabilities	130.43	105.77
	c) Deferred Tax Liability	0.72	3.93
	d) Provision	0.56	8.68
		1,144.03	**1,645.82**
	TOTAL EQUITY AND LIABILITIES	**3,215.83**	**3,942.09**

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Statement of Assets and Liabilities As at March 31, 2018

(Rs. in Crore)

	Particulars	Standalone	
		As at 31-Mar-2018	As at 31-Mar-2017
A	**ASSETS:**		
1	**Non-current assets:**		
	a) Property, Plant and Equipment	846.07	1,053.79
	b) Capital Work in Progress	6.42	-
	c) Investment property	1.10	1.25
	d) Financial assets		
	i) Investments	74.97	46.45
	ii) Loans	428.64	285.72
	iii) Other Financial Assets	22.81	2.51
	e) Other Non-Current Assets	41.47	53.05
	f) Current Tax assets (net)	94.66	124.78
		1,516.14	**1,567.55**
2	**Current assets:**		
	a) Inventories	10.01	10.15
	b) Financial Assets		
	ii) Trade Receivables	162.32	174.29
	iii) Cash and Cash Equivalent	18.45	36.46
	iv) Bank balances other than cash and cash equivalents	22.70	32.21
	v) Loans	77.31	65.04
	vi) Other Financial Assets	73.46	69.54
	c) Other Current Assets	35.36	39.70
	d) Non Current Asset classified as Held for Sale	26.28	-
		425.89	**427.39**
	TOTAL ASSETS	**1,942.03**	**1,994.94**
B	**EQUITY AND LIABILITIES:**		
1	**Equity:**		
	a) Equity Share Capital	30.25	26.99
	b) Other Equity	741.16	794.62
		771.41	**821.61**
2	**Non-Current Liabilities:**		
	a) Financial Liabilities		
	i) Borrowings	637.13	758.54
	ii) Other Financial Liabilities	12.78	0.18
	b) Provisions	1.17	1.79
		651.08	**760.51**
3	**Current Liabilities:**		
	a) Financial Liabilities		
	i) Borrowings	125.26	83.46
	ii) Trade Payables	135.32	127.46
	iii) Other Financial Liabilities	216.44	191.92
	b) Other Current Liabilities	41.99	8.84
	c) Provision	0.53	1.14
		519.54	**412.82**
	TOTAL EQUITY AND LIABILITIES	**1,942.03**	**1,994.94**

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SEGMENTWISE CONSOLIDATED REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs in Crore)

Particulars	Quarter Ended			Year Ended	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	Audited	Unaudited	Audited	Audited	Audited
1. Segment Revenue					
(net sale/income from each segment should be disclosed under this head)					
(a) Shipping	106.07	121.98	160.74	447.85	637.50
(b) Offshore	-	-	53.62	-	304.19
(c) Coal (Mining, Procurement and Logistics)	80.89	80.75	247.86	493.88	1,147.76
(d) Others	5.22	1.19	(15.62)	32.48	25.94
Net sales/Income From Operations	**192.18**	**203.92**	**446.60**	**974.21**	**2,115.39**
2. Segment Results (Profit)(+)/ Loss (-) before tax from each segment)					
(a) Shipping	22.52	(43.00)	(14.74)	(55.28)	56.61
(b) Offshore	-	-	(68.08)	-	11.48
(c) Coal (Mining, Procurement and Logistics)	30.99	(5.59)	(14.93)	69.77	68.35
(d) Others	(48.28)	(13.04)	129.73	(58.64)	155.15
Less: Interest	48.49	42.65	64.16	173.16	232.42
Total Profit Before Tax	**(43.26)**	**(104.28)**	**(32.18)**	**(217.31)**	**59.17**
3. Segment Assets					
(a) Shipping	1,872.03	1,943.92	2,006.46	1,872.03	2,006.46
(b) Offshore	-	-	653.63	-	653.63
(c) Coal (Mining, Procurement and Logistics)	790.66	770.13	791.61	790.66	791.61
Total Segment Assets	2,662.69	2,714.05	3,451.70	2,662.69	3,451.70
Unallocable Assets	553.14	524.98	490.39	553.14	490.39
Total Assets	**3,215.83**	**3,239.03**	**3,942.09**	**3,215.83**	**3,942.09**
4. Segment Liabilities					
(a) Shipping	176.93	184.03	195.64	176.93	195.64
(b) Offshore	-	-	604.31	-	604.31
(c) Coal (Mining, Procurement and Logistics)	199.19	216.08	177.20	199.19	177.20
Total Segment Liabilities	376.12	400.11	977.15	376.12	977.15
Unallocable Liabilities	1,826.06	1,796.71	1,915.09	1,826.06	1,915.09
Total Liabilities	**2,202.18**	**2,196.82**	**2,892.24**	**2,202.18**	**2,892.24**

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Notes:

1 Both the standalone and consolidated financial results of the Company have been reviewed by the Audit Committee and approved at the meeting of the board of Directors held on May 28, 2018. The figures for the quarter ended March 31, 2018 are balancing figures between audited figures in respect of full financial year and the published year to date figures upto third quarter of the financial year.

2 The financial results have been prepared in accordance with the recognition and measurement principals 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 On 13th Nov 2017, the Company had issued and allotted 3,25,67,262 Equity Shares of Re 1/- each at an issue price of Rs. 44.65 per share to raise Rs. 145.41 crore by way of Qualified Institutional Placement ("QIP") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities Rules, 2014). Expenses related to the issue amounting to Rs. 12.31 Crores have been adjusted against Securities Premium Reserves. The net proceeds of the Qualified Institutional Placement has been utilized for repayment / prepayment of debt, working capital and general corporate purpose.

4 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.

5 The Company has sold its offshore business in the previous year and hence the consolidated financial results for the current period are not comparable to the previous year.

6 (a) 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 and claim, amounting to Rs. 133.40 crore and has also raised attention to the going concern assumption of the Company.
(b) In case of other 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. 22.03 crore, paid in the past to acquire 70% equity interests in companies which own coal mining concessions.
The principal auditor have qualified their opinion on these matters. The Company is confident of recovery of these accounts and does not foresee and additional liability in this regard.

7 During the year the Company has sold Dry Bulk Carrier "M.T. Sri Prem Poorva", built in 1994, tanker "M.T. Harsha Prem" built in 1993. Also, the Company has entered into agreement of sale dated March 19, 2018 for sale of M. V. Vrinda built in 1997 and deliver the vessel on April 2, 2018, which has been classified as "Non – Current Asset Held for Sale" as at March 31, 2018. On such transactions, the Company has accounted for aggregate loss of Rs. 65.04 crore on sale and impairment of Asset classified as Held for Sale, classified under the head of "other expenses".

8 In respect of "Sagar Samrat" EPC project, the subsidiary company had incurred additional cost of Rs.18.59 crore on account of certain variations in the scope of the project. Following prudential accounting norms, the Company has recognized the above costs in its Statement of Profit and Loss in its consolidated financial statements. Corresponding Revenue shall be recognized once the variations orders are approved by the customer.

9 The operations of the Coal Mines in Indonesia were temporarily disrupted for 5 months during the year, as already communicated in the relevant earlier disclosures. The operations of the mines have already resumed and the management is the process of resolving the legal disputes for which it doesn't foresee additional liability. During the disruption period, the company did not generate any revenues and had also incurred expenses of Rs.31.08 Crore. As a result, the figures for the current period are not comparable with those of the previous period.





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10 Having regard to the ongoing Income Tax disputes and assessment proceedings of preceeding years as well as pending reconciliation of the Income Tax assets, the management has made an estimated provision of Rs.40.17 crore in the financial statements.

11 12% Secured Non Convertible Debentures (NCD), issued on March 27, 2018 are unrated.

Sr.No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Previous due date for payment of Interest on Non – Convertible Debentures (NCD)	4-Nov-17	4-Nov-16
2	Previous due date for repayment of Principal of NCD	4-Nov-17	4-Nov-16
3	Next due date and amount for payment of Interest on 12% Secured NCD	30-Jun-18	NA
4	Next due date and amount for the repayment of Principal of 12% Secured NCD	30-Jun-20	NA

Prepayment of 12.4% NCD has been done on 27th March 2018 from the proceeds of issue of 12% NCD amounting to Rs.100 crore

12 Figures of previous periods have been regrouped / reclassified wherever necessary to confirm to current period classification.

13 The results for the year and quarter ended March 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 website www.mercator.in.

For Mercator Limited

H. K. Mittal
Executive Chairman
DIN: 00007690

Date: May 28, 2018
Place: Mumbai

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Mercator Limited

Singhi & Co.
Chartered Accountants

B2 402 B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013. India
Tel : + 91 (0) 22-6662 5537 / 38 Fax : +91 (0) 22-6662 5539 E-mail : mumbai@bakertillysinghi.com website : www.singhico.com

Independent Auditor's Report on Quarterly Standalone Financial Results and Standalone Year to Date Results of Mercator Limited pursuant to the Regulations 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To
The Board of Directors
Mercator Limited

1. We have audited the standalone financial results ('the statement') of **MERCATOR LIMITED** ('the Company') for the quarter and year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016

   The Results included in the Statement, which are the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Results included in the Statement, based on our audit of such standalone financial statements

2. We conducted our audit in accordance with the Standards on Auditing 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 Results included in the Statement are free of material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Results included in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Results included in the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Results included in the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Results included in the Statement.

   We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/F AC/62/2016 dated July 5, 2016; and

   (ii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss

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and Total Comprehensive Loss and other financial information of the Company for the quarter and year ended March 31, 2018 and also the statement of assets and liabilities as at March 31, 2018.

4. The Statement includes the results for the Quarter ended March 31, 2018, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

5. The comparative financial information of the Company for the corresponding quarter and year ended March 31, 2017 were reviewed / audited by the predecessor auditor who vide their reports dated May 30, 2017 issued an unmodified opinion on those standalone financial results.

For Singhi & Co.
Chartered Accountants
Firm's registration number: 302049E



Nikhil Singhi
Partner
Membership number: 061567

Place: Mumbai
Dated: May 28, 2018

Singhi & Co.
Chartered Accountants

B2 402 B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013. India
Tel : +91 (0) 22-6662 5537 / 38 E-mail : mumbai@singhico.com website : www.singhico.com

Independent Auditor's Report on Consolidated year to date Financial Results of Mercator Limited pursuant to the Regulations 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To
The Board of Directors
Mercator Limited

1. We have audited the consolidated financial results ("the Statement") of **MERCATOR LIMITED** ("the Company") and its subsidiaries (together referred to as "the Group") for the quarter and year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016

   The Statement has been compiled on the basis of the annual Consolidated Financial Statements, which are the responsibility of the Company's Management and approved by the Board of Directors. The Ind AS Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Results included in the Statement, based on our audit of such consolidated financial statements

2. We conducted our audit in accordance with the Standards on Auditing 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 Results included in the Statement are free of material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Results included in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Results included in the Statement, whether due to fraud or error. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Results included in the Statement.

   We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 11 below is sufficient and appropriate to provide a basis for our audit opinion.

3. **Basis of Qualified Opinion**

   a) In case of a step down subsidiary, the auditors have given a modified opinion for the financial year ended March 31, 2018 on the following basis:
      i) recoverability and non provision of impairment loss in case of long overdue Trade Receivables amounting to ***Rs.126.01 Crore (US$ 19.37 Mn), (Previous Year Rs.72.97 Crore (US$ 11.25 Mn))***

SINGHI & CO. ★ Chartered Accountants ★

ii) *in case of claim of Hindustan Zinc Ltd (HZL), the company had forwarded a draft settlement agreement proposing a full and final additional cash settlement of* ***Rs. 7.39 Crore*** *(US$ 1.13 Mn), which is currently being reviewed by the claimant. However, the company has not made any provision for the potential claim amount and other incidental costs, pending final settlement of the claim.*

b) *In case of two step down subsidiaries the respective auditors have given a modified opinion for the financial year ended March 31, 2018, raising concern regarding the recoverability of deposits amounting to* ***Rs.22.03 Crore (USD 3.39 Mn,) (Previous Year Rs.21.96 Crore (US$ 3.39 Mn))*** *paid in the past to acquire 70% equity interests in companies which own coal mining concessions.*

4. **Qualified opinion**

Except for the possible effect of the matters stated in the Basis of qualified opinion paragraph above, the impact of which is presently not ascertainable, the consolidated financial results give a true and fair view of the Group as at March 31, 2018.

5. **Emphasis of matter**

In case of several subsidiaries, the respective auditors have qualified their audit reports expressing concerns about the financial statements being prepared on a going concern basis. The management has however, prepared these financial statements on a going concern basis, in view of the financial support and undertaking from the ultimate holding company and resumption of coal mining operations in Indonesia.

6. The Statement includes the results of the subsidiaries as mentioned in Annexure-A to this statement

7. We did not audit the financial results of 28 subsidiaries/ step down subsidiaries included in the Statement whose financial results reflect total revenues of Rs.95.21 Crore and Rs.568.55 Crore for the quarter and year ended March 31 2018 respectively, net profit / (Loss) after tax (including other comprehensive income) of Rs.(17.03) Crore and Rs. (85.32) Crore for the quarter and year ended March 31 2018 respectively, and total assets of Rs.1238.14 Crore as at quarter and year ended March 31 2018. These financial results have been compiled from the financial statements audited by other audit firms whose audit reports have been furnished to us and our report in respect thereof is based solely on the audit reports of such other audit firms. Our audit report is not modified in respect of this matter.

8. The Statement also includes the Group's share of total revenues of Rs.Nil and Rs. Nil for the quarter and year ended March 31 2018 respectively, net (Loss)/ profit (including other comprehensive income) of Rs.(5.03) Crore and Rs.(6.69) Crore , for the quarter and year ended March 31 2018 respectively, and total assets of Rs.35.65 Crore as at quarter and year ended March 31 2018 as considered in the Statement, in respect of 2 subsidiaries / step down subsidiaries whose financial statements have not been audited by us. These financial results are not audited and have been certified by the management and our conclusion on the consolidated financial results, insofar as it relates to the aforesaid subsidiaries/step down subsidiaries is based solely on such unaudited financial results which we have relied upon. In



our opinion and according to the information and explanations given to us by the management, these financial results are not material to the Group. Our review report is not modified in respect of this matter.

9. The Statement includes the results for the Quarter ended March 31, 2018, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

10. The comparative financial information of the Group for the year ended March 31, 2017 included in the Statement, were audited by the predecessor auditor who vide their reports dated May 30, 2017 issued a modified opinion on those consolidated financial results. As the company has opted for publishing reviewed/ audited consolidated financial results in the current year, the quarter ended results for the financial year ending March 31, 2017, are as prepared by the management and have not been subject to limited review or audit. Our audit report is not modified in respect of this matter.

11. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditors on the separate financial statements of the subsidiaries referred to in Annexure A, *except to the extent of the possible effects of the matters stated in paras 3 and 4 above*, the Statement:

    (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/F AC/62/2016 dated July 5, 2016; and

    (ii) the annual audited consolidated financial results, as set out in the statement gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net consolidated loss and consolidated total comprehensive loss, other financial information of the Group for the quarter and year ended March 31, 2018, and also the statement of assets and liabilities as at March 31, 2018.

For Singhi & Co.
Chartered Accountants
Firm's registration number: 302049E



Nikhil Singhi
Partner
Membership number: 061567

Place: Mumbai
Dated: May 28, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

A) Subsidiaries (held directly)

1 Mercator Oil & Gas Ltd
2 Mercator Petroleum Ltd
3 Oorja Resources India Pvt Ltd
4 Mercator FPSO Pvt Ltd
5 Mercator International Pte Ltd
6 Mercator Oceantransport Limited

B) Subsidiaries (held indirectly)

7 Brio Resources Pte Ltd
8 Offshore Holdings Pte Ltd
9 Oorja Holdings Pte Ltd
10 Mercator Energy Pte Ltd
11 Mercator Offshore Assets Holding Pte Ltd
12 Panther Resources Pte Ltd
13 Oorja (Batua) Pte Ltd
14 Oorja 1 Pte Ltd
15 Oorja 2 Pte Ltd
16 Oorja 3 Pte Ltd
17 Oorja Mozambique Lda
18 MCS Holdings Pte Ltd
19 PT Karya Putra Borneo
20 PT Indo Perkasa
21 Oorja Indo Petangis Four (Indonesia)
22 Oorja Indo Petangis Three (Indonesia)
23 Oorja Indo KGS (Indonesia)
24 Broadtec Mozambique Minas Lda
25 PT Mincon Indo Resources
26 PT Bima Gema Permata
27 PT Nuansa Sakti Kencana (Indonesia)
28 Marvel Value International Limited
29 Mercator Offshore (P) Pte Limited
30 MCS Investment and Trading Limited



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www.mercator.in

May 28, 2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 526235

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
Scrip Code: MERCATOR

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, 2018 on Consolidated Financial Result in compliance with Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016.

Please acknowledge.

Thanking you,

Yours faithfully,
For **Mercator Limited**

H. K. Mittal
Executive Chairman
DIN: 00007690

Mercator Limited

Encl: as above

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Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 on Consolidated Financial Result
[See Regulation 33 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	1010.68	1010.68
	2	Total Expenditure	1227.99	1227.99
	3	Net Profit/(Loss)	(217.31)	(217.31)
	4	Earnings Per Share (in Re.)	(10.42)	(10.42)
	5	Total Assets	3215.83	3215.83
	6	Total Liabilities	2202.19	2202.19
	7	Net Worth	1013.65	1013.65

II.		**Audit Qualification (each audit qualification separately):**
	a	**Details of Audit Qualification:**
		a. In case of a step down subsidiary, the auditors have given a modified opinion for the financial year ended March 31, 2018 on the following basis: i. recoverability and non-provision of impairment loss in case of long overdue Trade Receivables amounting to Rs.126.01 Crore (US$ 19.37 Mn), (Previous Year Rs.72.97 Crore (US$ 11.25 Mn)) ii. in case of claim of Hindustan Zinc Ltd (HZL), the company had forwarded a draft settlement agreement proposing a full and final additional cash settlement of Rs. 7.39 Crore (US$ 1.13 Mn), which is currently being reviewed by the claimant. However, the company has not made any provision for the potential claim amount and other incidental costs, pending final settlement of the claim.
		b. In case of two step down subsidiaries the respective auditors have given a modified opinion for the financial year ended March 31, 2018, raising concern regarding the recoverability of deposits amounting to Rs.22.03 Crore (USD 3.39 Mn,) (Previous Year Rs.21.96 Crore (US$ 3.39 Mn)) paid in the past to acquire 70% equity interests in companies which own coal mining concessions.
	b	**Type of Audit Qualification: Qualified Opinion**
	c	**Frequency of qualification: a) Repetitive** **b) Repetitive;**
	d	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
		a. i) The Management is reasonably confident of the recovery of these receivables amounting to *Rs.126.01 Crore (US$ 19.37 Mn), (Previous Year Rs.72.97 Crore, US$ 11.25 Mn).* *ii) Once the Amount is ascertained and after the settlement agreement is executed, the required liability shall be recognized by us in the books of accounts*
		b. The Management is reasonably confident of the recoverability of those advances amounting to Rs.22.03 Crore (USD 3.39 Mn,)
	e	**For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable**
	(i)	Management's estimation on the impact of audit qualification:
	(ii)	If management is unable to estimate the impact, reasons for the same:
	(iii)	Auditors' Comments on (i) or (ii) above:
III.		**Signatories:**

For Mercator Limited **H. K. Mittal** **Executive Chairman**	**For Mercator Limited** **Rajendra Kothari** **Chief Financial Officer**
For Mercator Limited **M. M. Agrawal** **Audit Committee Chairman**	**For Singhi & Co.,** **Chartered Accountants** **Nikhil Singhi** **Partner** **Membership No.061567**

Place: Mumbai
Date: 28/05/2018